

INGRAM REAL ESTATE GROUP

REAL ESTATE APPRAISAL REPORT



Subject Property

**1301 West Moyamensing Avenue
Philadelphia, PA 19148**

Prepared For:

FMC Lending
380 Beach Road, Suite D
Burlingame, CA 94010

Prepared by:

Ingram Real Estate Group
John R. Ingram, II, MAI, SCGRE, AICP, CTA

January 9, 2023

As of: December 29, 2022

INGRAM REAL ESTATE GROUP
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John R. Ingram II, MAI, SCGRE, AICP, CTA
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January 9, 2023

Re: Real Estate Appraisal Report
1301 West Moyamensing Avenue
Philadelphia, PA 19148

FMC Lending
380 Beach Road, Suite D
Burlingame, CA 94010

To whom it may concern:

Pursuant to your request, we have inspected the above-referenced property and provided an opinion of the current "As Is" Market Value of the above-referenced property. In our inspection of the subject property, no existing environmental hazards were observed, and this report assumes the Subject site is an environmentally clean site.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value.

Please reference the Limiting Conditions and Assumptions for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology. Acceptance of this report constitutes an agreement with these conditions and assumptions.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no extraordinary assumptions for this appraisal.

FMC Lending
380 Beach Road, Suite D
Burlingame, CA 94010

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Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

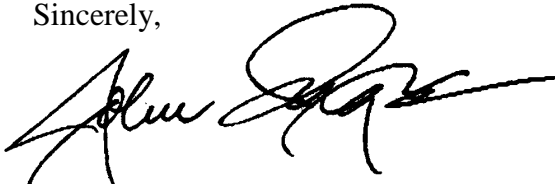
Current As Is Market Value Opinion:

The “As Is” market value of the Leased Fee interest in the subject property, as of December 29, 2022, the date of inspection, is:

\$1,050,000
One Million Fifty Thousand Dollars

The market exposure time¹ preceding December 29, 2022 would have been 9 months.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Ingram II', with a stylized flourish extending to the right.

John R. Ingram II, MAI, SCGRE, AICP, CTA
PA Certified General Real Estate Appraiser #GA000474L

¹ Exposure Time: see definition in addenda.

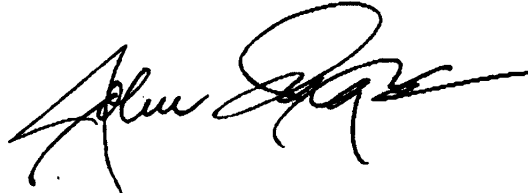
Certification Statement

PREMISES: 1301 West Moyamensing Avenue, Philadelphia, PA

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- John R. Ingram II made a personal inspection of the property that is the subject of this report, on December 29, 2022.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, John R. Ingram II, MAI has completed the continuing education program of the Appraisal Institute and is currently certified.

A handwritten signature in black ink, appearing to read 'John R. Ingram II', with a stylized, flowing script.

John R. Ingram II, MAI, SCGREA, AICP, CTA
PA Certified General Real Estate Appraiser #GA000474L
January 9, 2023

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Summary of Important Facts and Conclusions

GENERAL

Subject:	1301 West Moyamensing Avenue Philadelphia, PA 19148
Owner:	Domenic Colanzi & Michael Powles
Parcel Number (s):	871558040
Effective Date of Value:	December 29, 2022
Date of Report:	January 9, 2023
Purpose of The Appraisal:	The purpose of this appraisal is to provide an opinion of the as-is market value of the subject property.
Intended Use:	The intended use is to assist the client and intended users in making a lending decision
Intended User(s):	The intended user of this report is FMC Lending and it's intended users.
Assessment & Taxes:	Assessed Value: \$292,400 Taxes: \$4,093
Sale History:	Sold 7/1/2010 for \$1.00
Current Listing/Contract(s):	The subject is not currently offered for sale, or under a sale contract.
Land:	The subject site is comprised of a triangular shaped parcel, containing an estimated 1,325± square feet, or 0.0304 acres.
Improvements:	The subject property is improved with two story, mixed use retail/residential building, built in 1920, containing an estimated 3,335 square feet of building area. Between 2009 and 2021, \$433,000, excluding FF&E, was spent on the building front, the two 2 nd floor apartments, the restaurant kitchen, finishing the basement, and other exterior building improvements.
Zoning:	CMX-1, Neighborhood Commercial Mixed Use District

1301 West Moyamensing Avenue

Philadelphia, PA

Highest and Best Use of the Site:

The highest and best use as vacant is for a commercial/retail mixed use.

Highest and Best Use as Improved:

The highest and best use as currently improved is to continue the present retail/commercial and residential mixed use.

AS-IS MARKET VALUE OPINION CONCLUSIONS

Cost Approach

Not Applied

Sales Comparison Approach

\$1,050,000

Income Approach

\$1,050,000

Market Value Opinion:

As Is

Value Conclusion(s): \$1,050,000

Effective Date(s): December 29, 2022

Property Rights: Leased Fee

Subject Property Photographs



West Moyamensing Avenue looking east,
subject on left



West Moyamensing Avenue looking west,
subject on right



South 13th Street looking north, with subject
to left



South 13th Street looking south, with subject to
right



Frontal view of subject from West
Moyamensing Avenue



Frontal view of subject from West
Moyamensing Avenue/South 13th Street
intersection

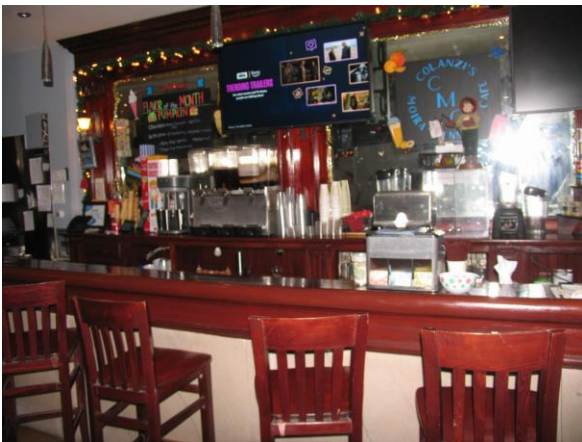
Subject Property Photographs



View of one of two restaurant entrances



Subject restaurant ground floor interior view



Subject restaurant ground floor interior view



Subject restaurant ground floor interior view



Subject restaurant ground floor interior view



Subject restaurant brick oven

Subject Property Photographs



Subject restaurant ground floor kitchen view



Subject restaurant ground floor interior view



One of two ground floor restrooms



Second ground floor restroom



Stairs to finished basement



View of kitchen area in subject's finished basement

Subject Property Photographs



View of kitchen area in subject's finished basement



Basement utility room



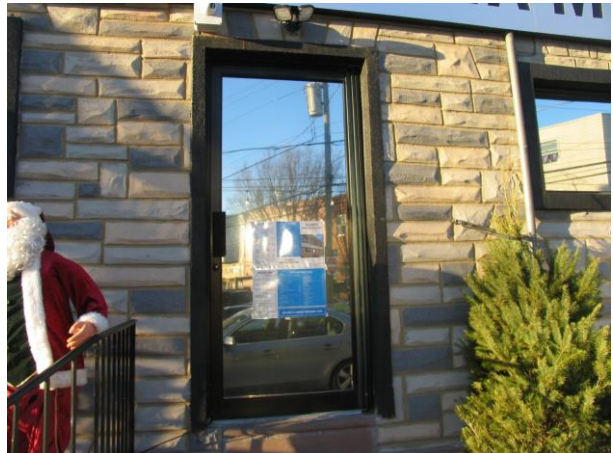
View of kitchen area in subject's finished basement



Finished basement restroom

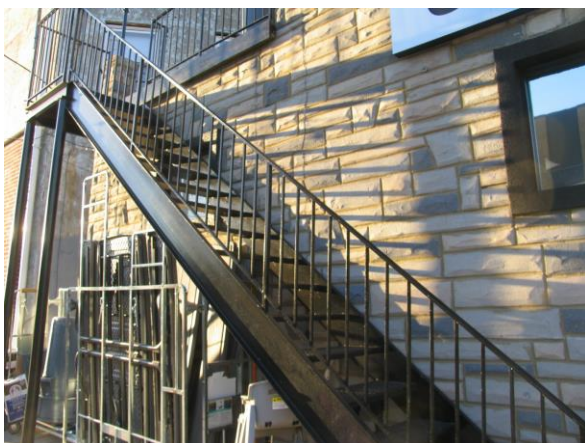


View of kitchen area in subject's finished basement



Second entrance to subject restaurant

Subject Property Photographs



Exterior stairs to 2nd floor residential level



Second floor residential balcony



Entrance to apartment A (2BR)



Apartment A interior

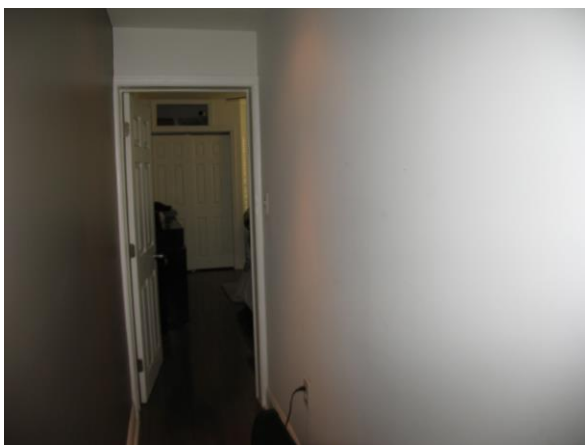


Apartment A interior



Apartment A interior

Subject Property Photographs



Apartment A interior



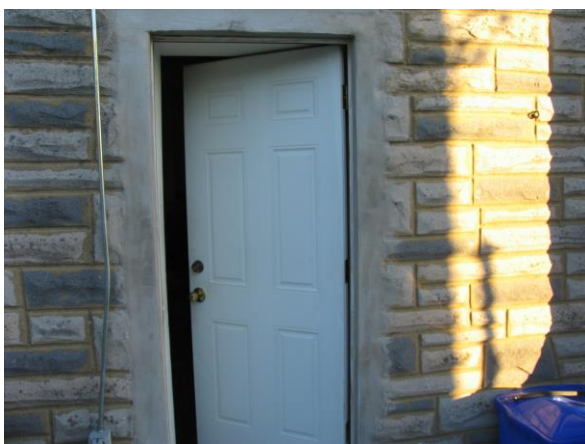
Apartment A interior



Apartment A interior



Apartment A interior



Entrance to Apartment B

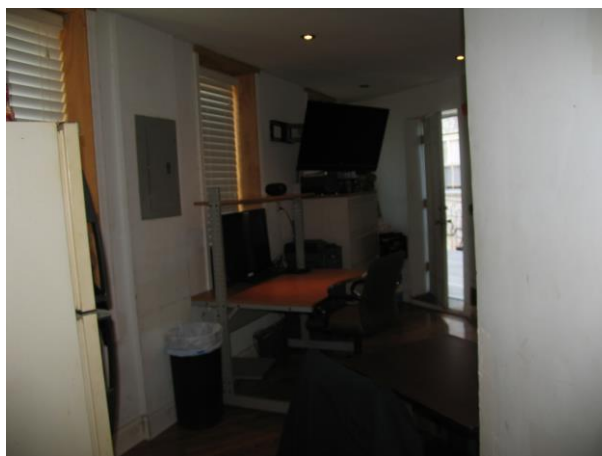


Apartment B interior (Efficiency)

Subject Property Photographs



Apartment B interior



Apartment B interior



Street view of intersection of West Moyamensing and South 13th Street from subject balcony



West Moyamensing Street opposite side view from subject balcony



West Moyamensing Street easterly view from subject balcony

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Ingram Real Estate Group. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Ingram Real Estate Group's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Ingram Real Estate Group has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for:

FMC Lending
380 Beach Road, Suite D
Burlingame, CA 94010

The problem to be solved is to provide an opinion of the 'as is' market value of the subject property. The intended use is to provide an opinion of market value for the subject property to assist the client and intended users in making a lending decision.

SCOPE OF WORK

Report Type:	This is an <i>Appraisal Report</i> as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(A). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the assessors' parcel number.
Inspection:	An inspection of the subject property has been made, and photographs taken by John Ingram, MAI.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

Highest and Best Use Analysis: A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Type of Value: As-Is Market Value

Valuation Analyses

Cost Approach: Not applied

Sales Comparison Approach: A sales approach was applied as there was adequate data to develop a value opinion and a typical buyer would utilize this approach.

Income Approach: An income approach was developed since the subject is an income producing property.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no extraordinary assumptions for this appraisal.

Market Area and Economic Analysis

The Subject is located in the City of Philadelphia, the sixth largest city in the United States. It is important to distinguish between: 1) the City of Philadelphia, which is Philadelphia County, (estimated 2015 population of 1,401,688), 2) the Philadelphia Metropolitan area, which includes the five Pennsylvania Counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia, (estimated 2015 population of 3,923,098) and 3) the Philadelphia-Camden-Wilmington Metropolitan Statistical Area (MSA), which includes counties in Pennsylvania, New Jersey, and Delaware. The Philadelphia-Camden-Wilmington MSA is the Philadelphia that is the sixth largest city in the nation (estimated 2015 population of 5,931,875).

Being located in Philadelphia County, the subject is in all three – the City of Philadelphia, the Philadelphia metropolitan area, and the Philadelphia-Camden-Wilmington MSA.

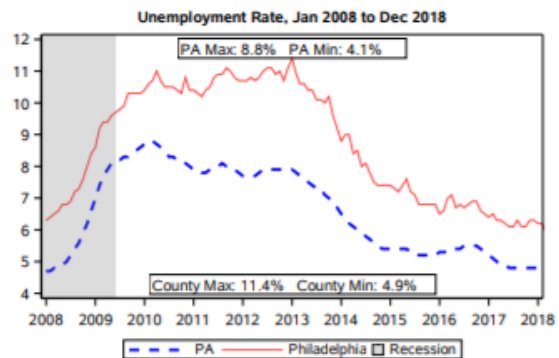
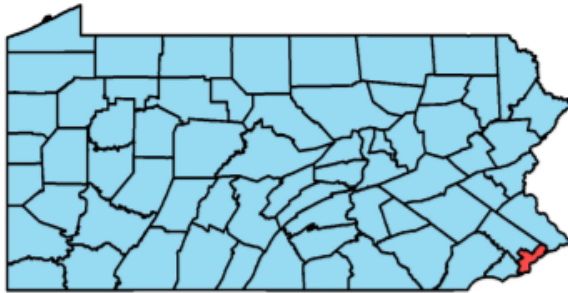
Demographics

Of the five counties that make up the Philadelphia metropolitan area, Philadelphia County has the largest population and is the most densely populated. As with the urban core of many United States cities, Philadelphia County lost population between 1990 and 2000, falling by 4.3% from 1,585,577 in 1990 to 1,517,550 in 2000. Although this decline was projected to continue, results from the 2010 census indicate population increased slightly (0.55%), increasing to 1,526,006 in 2010. However, it was estimated to have declined again, to 1,401,688 in 2015.

Selected Demographic Information							
		2000	2010	2010 Census	2015	Annual Increase Projected 2010-2015	National Projected Annual Increase
Philadelphia-Camden-Wilmington MSA	Population	5,687,147	5,890,141	5,965,343	5,931,875	0.14%	0.76%
	Households	2,134,404	2,229,415	2,260,312	2,250,222	0.19%	0.78%
	Median HH Income	\$48,201	\$64,648	na	\$74,610	2.91%	2.36%
Metro Philadelphia 5 counties	Population	3,849,647	3,919,058	4,008,994	3,923,098	0.02%	0.76%
	Households	1,459,119	1,499,014	1,533,935	1,504,361	0.07%	0.78%
	Median HH Income	\$45,861	\$62,465	na	\$71,504	2.74%	2.36%
Philadelphia County	Population	1,517,550	1,440,459	1,526,006	1,401,688	-0.54%	0.76%
	Households	590,071	566,859	599,736	553,381	-0.48%	0.78%
	Median HH Income	\$30,781	\$41,221	na	\$48,284	3.21%	2.36%
Data source: Site to Do Business, Census.gov							

Philadelphia County Profile

January 2019



2017 Population		
Demographic	County	PA
Total Population	1,569,657	12,790,505
Female	827,245	6,530,345
Male	742,412	6,260,160
Population by Race		
White	41.6%	81.1%
Black	42.6%	11.1%
Other	15.9%	7.8%
Hispanic Origin (all races)	14.1%	6.8%
Population by Age		
Ages 0 to 17	22.0%	21.0%
Ages 18 to 24	11.0%	9.5%
Ages 25 to 34	18.3%	12.9%
Ages 35 to 44	12.2%	11.7%
Ages 45 to 54	12.0%	13.8%
Ages 55 to 64	11.5%	13.9%
Ages 65 to 74	7.2%	9.3%
Ages 75 and Older	5.7%	7.7%
Median Age	34.1	40.7

Source: U.S. Census 5 Year Estimate 2013-2017 (Tables: DP05 and B01001)

2017 Veterans	County	PA
Total Veterans	60,637	803,420
Median Veteran Income	\$31,196	\$35,981
Median Non-Veteran Income	\$23,962	\$28,833
Veteran Unemployment Rate	8.5%	6.4%

Source: U.S. Census 5 Year Estimate 2013-2017 (Table: S2101)

Online Job Postings	County	PA
December 2018	39,442	262,569
December 2017	37,653	260,197
Annual Volume Change	1,789	2,372

Source: The Conference Board Help Wanted OnLine™

Income	County	PA
Per Capita Personal Income	\$55,718	\$53,300
Total Personal Income	\$88,081,991	\$682,533,744
Median Household Income	\$40,649	\$56,951
Median Family Income	\$50,434	\$72,692

Note: Total Personal Income is displayed in thousands.
 Note: Median incomes are in 2017 adjusted dollars.
 Source: Personal Incomes - Bureau of Economic Analysis (BEA) - 2017
 Source: Median Incomes - U.S. Census 2013-2017 (Tables: B19013 & B19113)

Local Area Unemployment Statistics		
Dec 2018	County	PA
Unemployment Rate	5.5%	4.2%
Labor Force	722,300	6,462,000
Employed	682,400	6,188,000
Unemployed	40,000	274,000

Notes: Current month's data are preliminary. Data are Seasonally Adjusted.

Unemployment Compensation Exhaustees				
Jan 2018 to Dec 2018	Volume		Percent of Total	
Pre-UC Industry	County	PA	County	PA
Natural Resources & Mining	10	790	0.0%	1.0%
Construction	860	9,180	6.0%	11.0%
Manufacturing	1,000	9,920	7.0%	11.5%
Trade, Transportation & Utilities	2,310	16,880	16.5%	20.0%
Information	210	1,450	1.5%	1.5%
Financial Activities	810	5,000	5.5%	6.0%
Professional & Business Services	2,640	16,390	18.5%	19.5%
Education & Health Services	3,890	14,130	27.5%	16.5%
Leisure & Hospitality	1,520	6,370	11.0%	7.5%
Other Services	390	2,400	3.0%	3.0%
Government	250	900	2.0%	1.0%
Info Not Available	230	1,590	1.5%	2.0%
Total	14,120	85,000	100%	100%

Note: Percentages less than 0.5% will be displayed as 0.0%.

Source: Pennsylvania Unemployment Compensation System

Top 10 Employers by Employment in Q2 of 2018	
Trustees of the University of PA	
City of Philadelphia	
Federal Government	
School District of Philadelphia	
The Children's Hospital of Philadelphia	
Temple University	
Thomas Jefferson University Hospital	
American Airlines Inc	
Southeastern PA Transportation Authority	
Drexel University	

Source: Quarterly Census of Employment and Wages

Center for Workforce Information & Analysis

Philadelphia County Profile

January 2019

Quarterly Census of Employment and Wages, 2017 Annual Averages									
NAICS	NAICS Description	Estab.		Employment		Employment %		Wages	
		County	LQ	County	PA	County	PA	County	PA
	Total, All Industries	34,601	1.00	673,048	5,799,189	100.0%	100.0%	\$64,331	\$54,000
11	Agriculture, Forestry, Fishing and Hunting	7	ND	ND	24,578	ND	0.4%	ND	\$35,108
21	Mining, Quarrying, and Oil & Gas	2	ND	ND	25,776	ND	0.4%	ND	\$89,492
22	Utilities	23	1.23	4,984	34,950	0.7%	0.6%	\$87,702	\$96,285
23	Construction	1,365	0.44	13,264	257,117	2.0%	4.4%	\$76,253	\$64,263
31-33	Manufacturing	698	0.32	20,636	562,435	3.1%	9.7%	\$63,329	\$61,131
42	Wholesale Trade	981	0.57	14,511	218,879	2.2%	3.8%	\$71,251	\$79,577
44-45	Retail Trade	4,580	0.68	49,832	630,227	7.4%	10.9%	\$28,068	\$28,282
48-49	Transportation and Warehousing	708	1.07	36,683	296,327	5.5%	5.1%	\$60,196	\$48,050
51	Information	351	1.15	11,552	86,754	1.7%	1.5%	\$107,474	\$77,712
52	Finance and Insurance	1,291	1.00	30,297	260,712	4.5%	4.5%	\$125,411	\$91,727
53	Real Estate and Rental and Leasing	1,224	1.30	9,574	63,639	1.4%	1.1%	\$63,917	\$58,254
54	Professional and Technical Services	3,250	1.23	50,881	356,921	7.6%	6.2%	\$111,362	\$91,934
55	Management of Companies and Enterprises	295	0.79	12,549	136,087	1.9%	2.3%	\$159,450	\$127,039
56	Administrative and Waste Services	1,087	0.75	27,585	316,755	4.1%	5.5%	\$35,078	\$35,524
61	Educational Services	1,000	1.46	81,738	481,490	12.1%	8.3%	\$72,448	\$55,672
62	Health Care and Social Assistance	9,782	1.35	162,736	1,041,775	24.2%	18.0%	\$54,422	\$49,452
71	Arts, Entertainment, and Recreation	452	1.15	13,278	99,599	2.0%	1.7%	\$60,080	\$31,564
72	Accommodation and Food Services	3,831	1.10	60,012	470,584	8.9%	8.1%	\$23,509	\$18,125
81	Other Services (Except Public Administration)	3,495	1.05	24,358	198,997	3.6%	3.4%	\$40,687	\$32,698
92	Public Administration	181	1.77	48,510	235,588	7.2%	4.1%	\$74,904	\$59,486
	Total, Suppressed Local Industries	9		38		0.0%			
Company Ownership									
	Total, All Ownership	34,601	1.00	673,048	5,799,189	100.0%	100.0%	\$64,331	\$54,000
	Private Ownership	33,801	0.96	571,788	5,124,522	85.0%	88.4%	\$63,502	\$53,673
	Federal Ownership	148	2.64	29,759	97,174	4.4%	1.7%	\$83,542	\$74,249
	State Ownership	34	0.69	10,640	133,286	1.6%	2.3%	\$65,918	\$60,158
	Local Ownership	618	1.18	60,861	444,207	9.0%	7.7%	\$62,448	\$51,492

Notes: 'Estab.'-Establishments. 'LQ'-(Location Quotient) is the percent of county employment by sector divided by the percent of PA's employment by sector.

Occupational Wages, 2017 Annual Averages					
SOC Code	Major Occupational Group	Entry-Level Wage		Average Wage	
		County	PA	County	PA
00-0000	Total, All Occupations	\$22,937	\$21,810	\$56,358	\$48,760
11-0000	Management	\$69,419	\$60,840	\$136,888	\$123,380
13-0000	Business & Financial Operations	\$48,399	\$43,790	\$80,477	\$73,290
15-0000	Computer & Mathematical	\$55,138	\$48,630	\$87,964	\$83,060
17-0000	Architecture & Engineering	\$51,244	\$46,790	\$85,472	\$78,830
19-0000	Life, Physical & Social Science	\$42,645	\$39,260	\$79,486	\$73,800
21-0000	Community & Social Services	\$30,329	\$28,410	\$44,737	\$44,300
23-0000	Legal	\$48,174	\$42,320	\$120,176	\$104,360
25-0000	Education, Training & Library	\$29,935	\$26,970	\$68,431	\$58,430
27-0000	Arts, Design, Entertainment, Sports & Media	\$30,934	\$23,110	\$59,138	\$49,700
29-0000	Healthcare Practitioners & Technical	\$44,309	\$37,790	\$80,978	\$75,210
31-0000	Healthcare Support	\$23,099	\$23,020	\$32,433	\$31,380
33-0000	Protective Service	\$22,700	\$21,830	\$47,156	\$44,800
35-0000	Food Preparation & Serving Related	\$17,416	\$17,420	\$25,083	\$23,380
37-0000	Building & Grounds Cleaning & Maintenance	\$21,240	\$19,430	\$31,448	\$28,530
39-0000	Personal Care & Service	\$19,331	\$18,330	\$27,217	\$25,710
41-0000	Sales & Related	\$18,070	\$18,100	\$40,385	\$41,000
43-0000	Office & Administrative Support	\$25,683	\$23,140	\$41,817	\$37,220
45-0000	Farming, Fishing & Forestry	\$21,996	\$19,530	\$41,612	\$32,550
47-0000	Construction & Extraction	\$30,270	\$30,630	\$56,051	\$50,840
49-0000	Installation, Maintenance & Repair	\$29,026	\$28,710	\$49,204	\$46,960
51-0000	Production	\$22,444	\$24,350	\$39,922	\$39,010
53-0000	Transportation & Material Moving	\$20,729	\$21,550	\$41,214	\$36,250

Note: 'ND' represents Non-Disclosable information.

Website: www.workstats.dli.pa.gov Email: workforceinfo@pa.gov Phone: 877-4WF-DATA

Major Employers: Below are a list of the top 20 employers in Philadelphia County and the top 5 employers in the surrounding counties as of 2013.

PHILADELPHIA

1. Federal Government
2. City of Philadelphia
3. Trustees of the University of Pennsylvania
4. School District of Philadelphia
5. Children's Hospital of Philadelphia
6. Thomas Jefferson University Hospital
7. SEPTA
8. Temple University
9. US Airways
10. Albert Einstein Medical Center
11. Temple University Hospital
12. State Government
13. Independence Blue Cross
14. Drexel University
15. Thomas Jefferson University
16. Allied Barton Security Services
17. Comcast Cablevision Corp.
18. Pennsylvania Health
19. Aria Health
20. Hahnemann University Hospital

Notable: #29 SmithKline Beecham Corporation (GlaxoSmithKline)

BUCKS COUNTY

1. St. Mary Medical Center
2. Central Bucks School District
3. Giant Food Stores LLC
4. Bucks County
5. Northtec LLC

MONTGOMERY COUNTY

1. Schering Corporation
2. Abington Memorial Hospital
3. State Government
4. Main Line Hospitals
5. Montgomery County

CHESTER COUNTY

1. Vanguard Group Inc.
2. QVC Network Inc.
3. Siemens Medical Solutions USA Inc.
4. Federal Government
5. County of Chester

DELAWARE COUNTY

1. The Boeing Company
2. Crozer-Chester Medical Center
3. Delaware County
4. Villanova University
5. United Parcel Service Inc.

The largest employers in the region are largely a mixture of federal and city government, medical, health insurance and educational jobs. The largest employers include the University of Pennsylvania, University of Pennsylvania Hospital, as well as local colleges Temple, Drexel, and Thomas Jefferson as well as local hospitals Children's Hospital of Philadelphia, Thomas Jefferson University Hospital, and Albert Einstein Medical Center.

Philadelphia Regional Economy

The Beige Book is an important indicator on the state of the economy and as such, is a critical tool for the Federal Reserve in making key decisions.

The Beige Book is a commonly used name for a report from the **Federal Reserve** called the Summary of Commentary on Current Economic Conditions, and it is reported by the Federal Reserve Districts around the country, including New York. It is published just before the **Federal Open Market Committee**, or FOMC, meets to decide on interest rates and is used to inform the members on changes in the economy since the last meeting. This report is published eight times per year and released to the public, usually through business news organizations.

Each of the twelve Federal Reserve banks around the country gathers anecdotal information on current economic conditions in its respective district. The beige book generally consists of reports from bank and branch directors and interviews with key business contacts, economists, market experts, and other sources. The beige book is a summary of this information by district and sector.

If the beige book portrays **inflationary** pressure—an increase in prices on goods and services—the Fed may raise interest rates to slow down the economy. If the book portrays **recessionary** conditions—a slow economy with increasing/higher unemployment—the Fed may lower interest rates, which could help speed up consumer buying and lending to companies and boost employment.

The following is the most recent report for the Third District which includes the City of Philadelphia, dated November 22, 2022.

Summary of Economic Activity

On balance, business activity in the Third District appears to be teetering on the edge of a decline but managed to hold fast since the prior Beige Book period. Inflation has driven consumers to lower-priced items and lower-priced stores. Rising interest rates have discouraged consumers from buying big-ticket items, including homes and autos.

Employment continued to grow slightly, despite the onset of some layoffs. Wage growth and inflation continued to subside but remained at a moderate pace. Overall, firms noted less difficulty in hiring and fewer supply chain disruptions. On balance, expectations for economic growth over the next six months deteriorated for all firms; however, the index for non-manufacturers remained positive, while the index for manufacturers remained negative. Expectations for all firms remained well below their non-recessionary historical

averages. On average, conditions and sentiment appeared more positive in the Greater Philadelphia region than in the outlying areas of the Third District.

Labor Markets

Employment continued to grow slightly; however, fewer firms reported increases, while more began noting decreases. The share of firms reporting employment increases fell below 20 percent for nonmanufacturing and manufacturing firms; firms reporting decreases rose to nearly 10 percent.

Staffing firms noted that orders are soft across the board and are not keeping pace with the typical year-end hiring surge. Hiring freezes and staff layoffs have begun in the residential real estate sector; layoffs are expected to expand more broadly throughout the home construction sector in the first quarter of the year. Firms from many sectors reported preparations for a potential recession but also remain hesitant to lay off employees, given recent hiring difficulties.

Firms continued to note that wage growth had subsided but remained elevated at a moderate rate. One staffing firm noted that recent year-over-year wage growth was down to 5.75 percent. Wage inflation is also becoming somewhat less widespread. In our monthly surveys, the share of nonmanufacturing firms reporting higher wage and benefit costs per employee fell to nearly 40 percent, while just over half of the firms reported no change and a few reported lower compensation.

On a quarterly basis, firms reported a lower expectation of the one-year-ahead change in compensation cost per worker, with a trimmed mean of 5.1 percent in the fourth quarter of 2022 – down from 5.8 percent in the third quarter and the lowest rate of increase this year. One large retail firm noted plans for 4.0 percent average wage increases next year – a bit higher than its norm. Although the firm's wage plan is lower than the expectations reported by other firms in the survey, the firm noted that it has managed to keep turnover rates low by maintaining a competitive wage within its sector.

Prices

On balance, inflation continued at a moderate pace – comparable with the prior period, but an improvement from a third-quarter spike. Manufacturing firms drove the quarterly change; nonmanufacturing firms have noted moderate increases for most of the year.

Contacts reported that increases in prices received for their own goods and services over the past year fell in the fourth quarter of 2022. The trimmed mean for reported price changes in our quarterly survey questions fell to 6.0 percent from 7.2 percent in the third quarter of 2022 for all firms. Price increases ticked up to 4.6 percent from 4.5 percent for non-manufacturers and fell to 7.9 percent from 10.4 percent among manufacturers. Moreover, price increases for nonmanufacturing firms were less widespread in recent months – for both inputs and prices received for their own goods.

Looking ahead one year, the increases that firms anticipated in prices for their own goods held steady at a moderate rate – the trimmed mean for all firms remained at 4.3 percent in the fourth quarter of 2022. The expected rate of growth rose to 4.2 percent from 3.5 percent for non-manufacturers and fell to 4.5 percent from 5.4 percent for manufacturers.

Manufacturing

Manufacturing activity continued to decline modestly. The index for new orders remained negative for a sixth consecutive month. Nevertheless, the shipments index remained positive at low levels, as firms continued to work through backlogs. Delivery times and inventories also continued to fall.

Manufacturing firms' expectations deteriorated. The indexes for future activity and new orders trended lower and were negative. On net, a small portion of firms continue to expect to increase employment and capital spending over the next six months.

Consumer Spending

On balance, retailers (non-auto) and restaurateurs continued to report modest declines in sales. Contacts described lower traffic, lower spending per customer, and a need to offer discounts. In particular, low- and middle-income customers are spending less and shifting to lower-priced items.

Auto dealers reported a slight increase in sales as more inventory has reached their lots. However, high prices and rising interest rates have discouraged buyers. As a result, dealers have a few cars left on their lots at the end of each week and used car prices are falling.

Overall, tourism held steady – following a slight increase last period. Leisure travel remains strong, while business travel remains below 2019 levels. Moreover, the Philadelphia region has further to recover than the nation. Finding workers has become easier, but firms are beginning to take a wait-and-see attitude on open positions.

Nonfinancial Services

On balance, nonmanufacturing activity appeared to pause after growing slightly in the prior period. Firms were almost evenly divided in reporting increases, decreases, or no change in their sales and new orders.

Financial Services

The volume of bank lending (excluding credit cards) grew moderately during the period (not seasonally adjusted) – comparable to growth in the prior period, but much faster than in the same period one year ago. Growth was pervasive across major loan segments

except auto lending. Inflationary effects on home prices and other big-ticket items continue to boost loan volume growth during the current year relative to past years.

District banks reported strong loan volume growth in home mortgages and commercial and industrial lending, moderate growth in commercial real estate, and modest growth in home equity loans and other consumer loans. Auto lending declined modestly. Credit card volumes grew modestly – a pace typical of the season. Credit counselors noted that more low- and middle-income households are putting basic expenses onto credit cards.

Real Estate and Construction

Homebuilders reported that contract signings for new homes plunged after declining slightly in the prior period. Their current backlog will carry construction through the first quarter with only a modest decline in activity, but not much further.

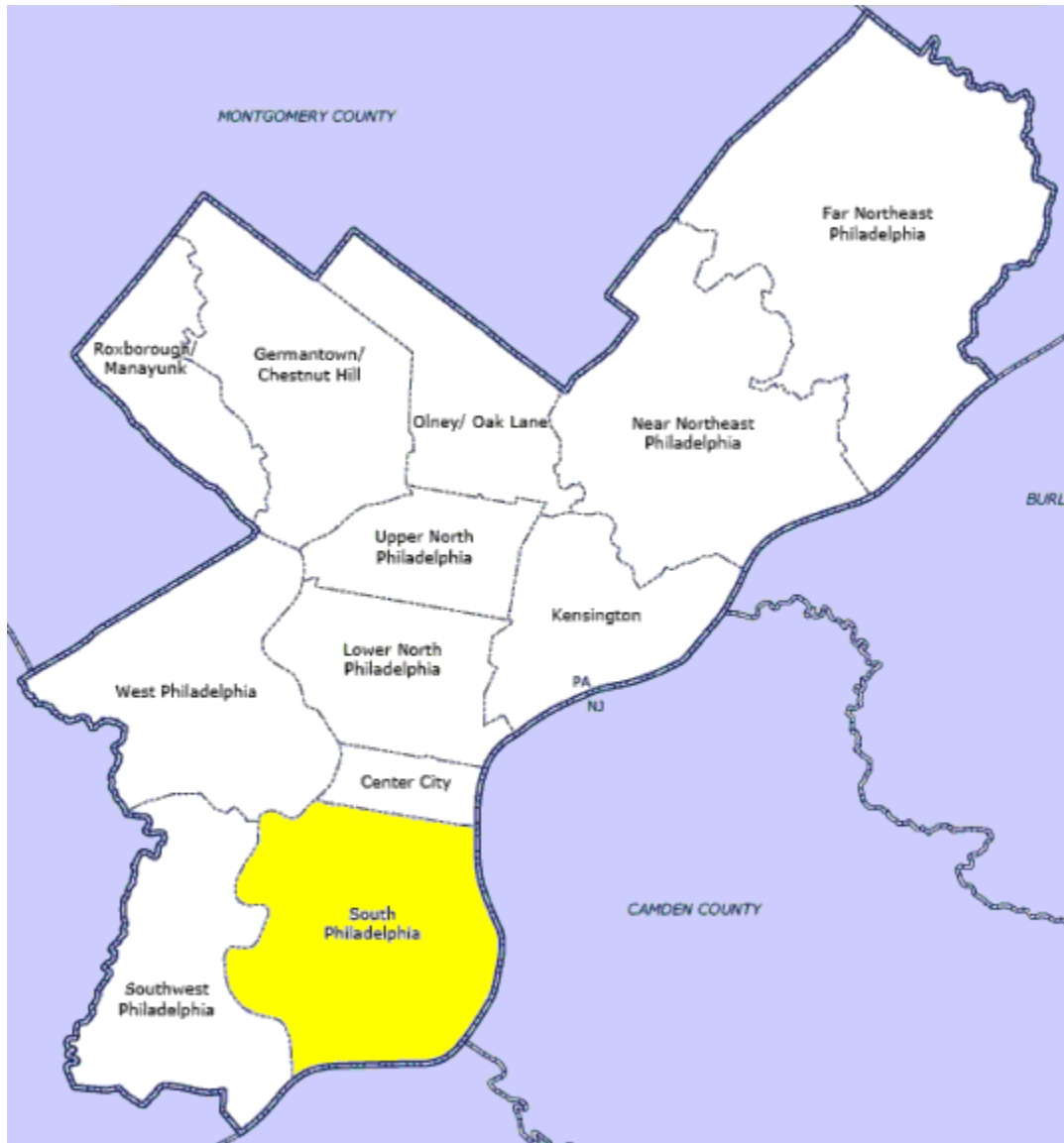
Existing home sales fell steeply in most markets. Brokers reported that sales prices have begun to ease but remain high. They noted that high prices combined with rising interest rates have reduced housing affordability significantly and have driven potential buyers from the market.

Requests for housing assistance continued to dominate the share of 211 calls; however, the share fell to 31 percent. Of the calls for housing assistance, 42 percent were for rental assistance as landlords continued raising rents. With winter approaching, the share of requests regarding utility bills rose further to 24 percent; assistance with employment or income also rose further, to 9 percent.

Market participants in commercial real estate reported steady current construction activity and a slight decline in leasing activity. Most noted examples of delayed deals and a significant reduction in credit availability – concluding that the current pipeline would carry construction through much of 2023, but activity might slow thereafter. The future demand for office space remained a major uncertainty, while contacts described the future impacts of the infrastructure bill as an opportunity, competition for tight resources, or both.

Neighborhood Description

The Subject property is located in the South Philadelphia section of Philadelphia. South Philadelphia, nicknamed South Philly, is the section of Philadelphia bounded by South Street to the north, the Delaware River to the east and south, and the Schuylkill River to the west. A diverse working-class community of many neighborhoods, South Philadelphia is well-known for its large immigrant population.



South Philadelphia district, highlighted on a map of Philadelphia County

Transportation

The subject neighborhood is well served by public transportation. SEPTA's Broad Street Line subway services South Philadelphia and provides quick access to Center City and North Philadelphia. A number of SEPTA bus routes also serve South Philadelphia, ferrying commuters to and from Center City and the surrounding neighborhoods and suburbs.

I-95 runs north and south through South Philadelphia and, in this area, provides commuters with access to Philadelphia International Airport, I-76, the South Philadelphia Sports Complex and the Walt Whitman Bridge. The Girard Point Bridge section of I-95 crosses over the mouth of the Schuylkill River, where it merges with the Delaware River. I-76 becomes the Schuylkill Expressway at Passyunk Avenue in South Philadelphia and allows access between this section of the city and University City, Center City, 30th Street Station and the western suburbs.

In addition, PA Route 291 serves as a major artery between the area and Delaware County, crossing the Schuylkill River via the Platt Bridge, named for Medal of Honor recipient George C. Platt. Broad Street is part of PA Route 611.

South Philadelphia is served by unprotected bike lanes on many streets going in all directions. Snyder Avenue has unprotected bike lanes going East and West. Columbus Boulevard has North and South bike lanes which are separated from automobile traffic from Reed Street to Center City. Twenty-second Street provides Northward lanes for cyclists. Some streets such as 11th Street have both Bike lanes and Sharrows or Shared lane marking. In 2022, Washington Avenue east of Broad Street was transformed into a multimodal road with protected bike lanes and pedestrian crossings. The span of Washington Avenue west of Broad Street underwent repaving and minor changes to bike lanes.

As of 2016 two Taiwanese airlines, China Airlines and EVA Air, provide private bus services to and from John F. Kennedy International Airport in New York City for customers based in the Philadelphia area. These bus services stop in South Philadelphia.

Local Surroundings

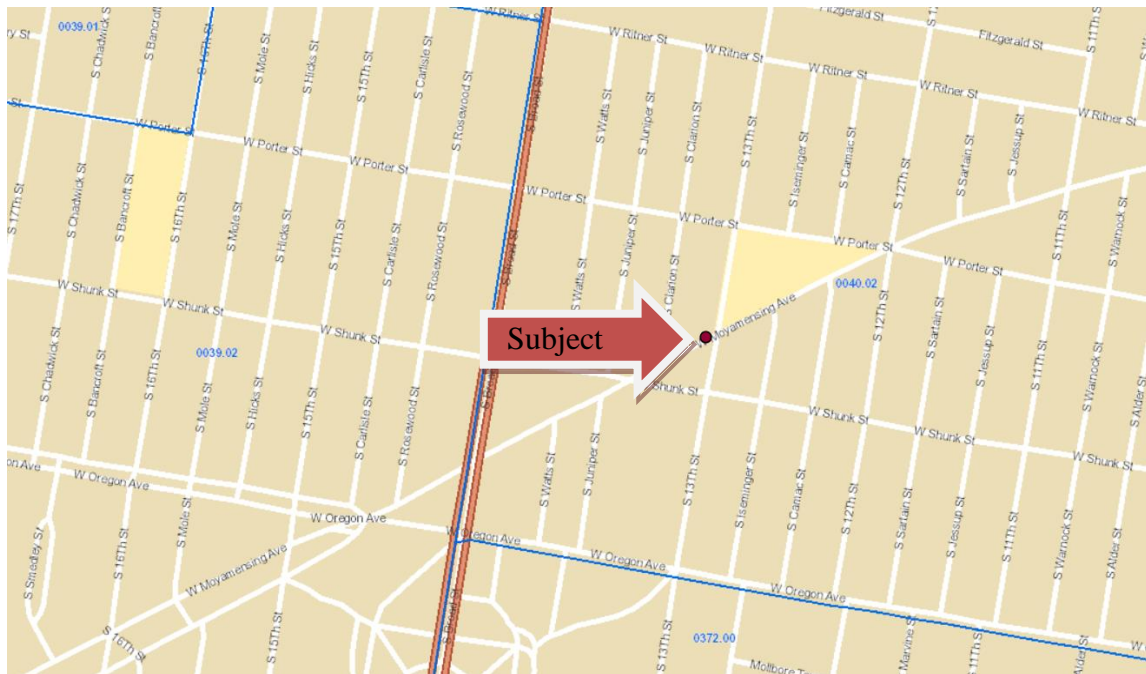
The subject's immediate neighborhood is predominantly residential and mixed use commercial/retail and residential. Most of the neighborhood commercial establishments are of the neighborhood variety, serving the surrounding local residents. These include retail stores, gas stations, professional service establishments, eating establishments, etc. Institutional uses such as churches, schools and similar uses are also fairly well represented, as well as scattered light industrial uses. The neighborhood is comprised mostly of older, pre-war and post-war structures.

The subject neighborhood is predominantly residential in character with scattered commercial uses along W. Moyamensing Avenue. In the vicinity of the subject are small commercial (mom & pop) retail stores and restaurants with the buildings having upper level residences. The subject neighborhood is well served by SEPTA public transit bus routes and the Broad Street subway Oregon Avenue station.

Buildings north and west of the property are primarily residential (row home) buildings. To the south, Buildings are primarily mixed commercial/ residential buildings along W. Moyamensing Avenue and nearby Shunk Avenue. To the east, The A.S. Jenks Public School is a prominent land use in this neighborhood.

Census Tract Data

The US Geocoding system (FFIEC, 2022 Census file) identifies the subject as being situated within Census Tract 0040.02. This area is designated an upper income neighborhood with a tract population estimate of 5,359 persons. The estimated 2022 median tract family income is \$103,118 compared to the MSA/MD median family income of \$75,000, with 11.38% of the population below the poverty line. There are a total of 2,340 housing units, of which, 2,319 are 1 to 4 family units. Approximately 548 units are renter occupied. The median housing unit age is 70 years. The census tract map for the subject's neighborhood is presented as follows.



Census Tract Map of the subject section of the South Philadelphia Neighborhood

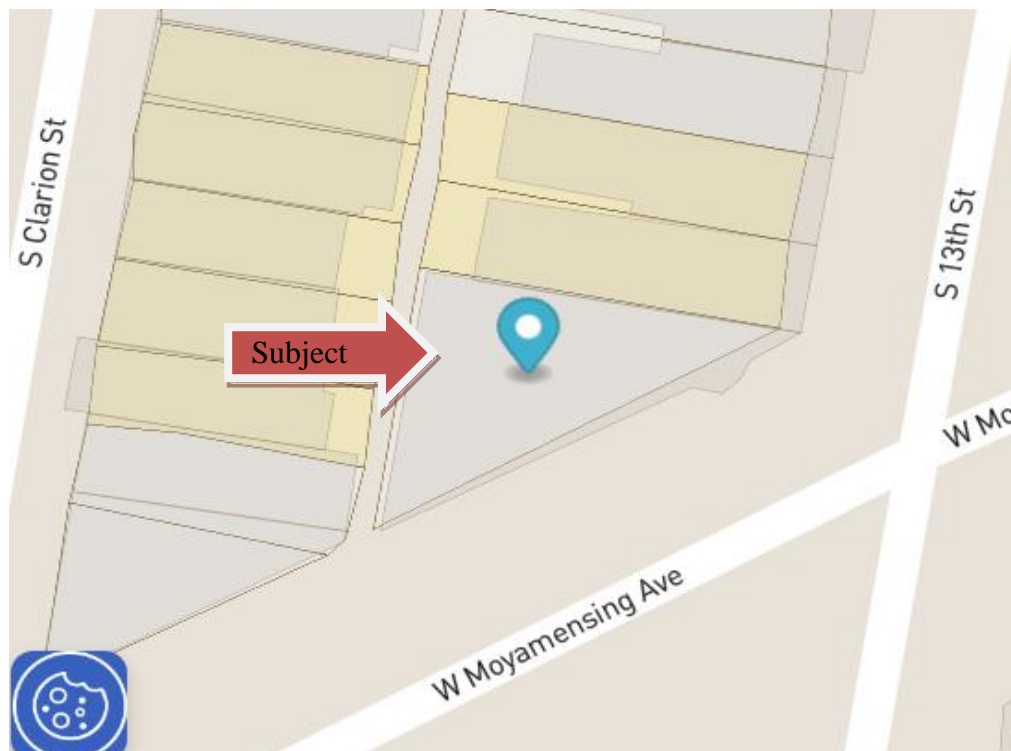
1301 West Moyamensing Avenue

Philadelphia, PA

AERIAL MAP



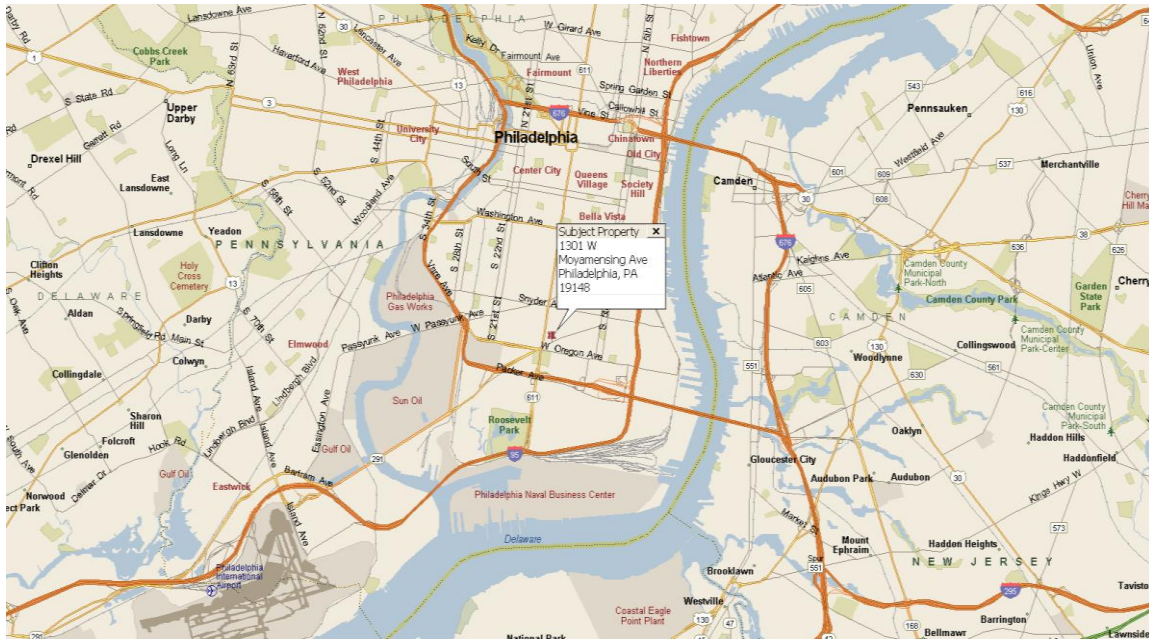
TAX MAP



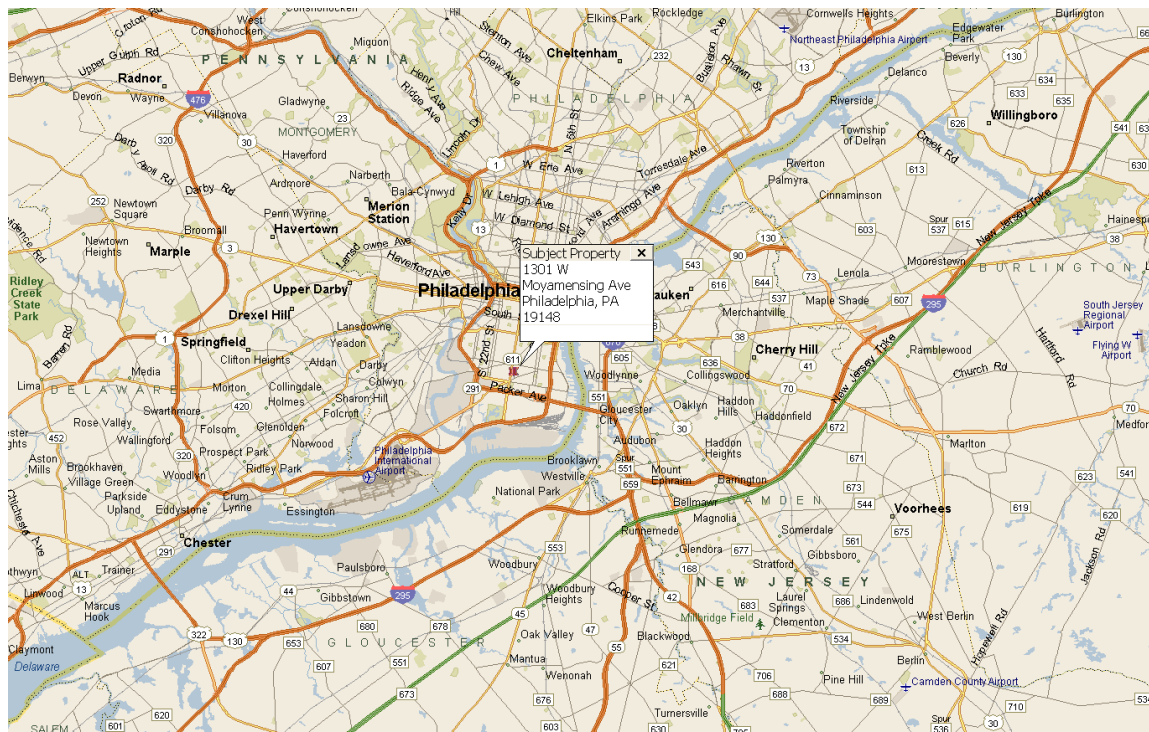
1301 West Moyamensing Avenue

Philadelphia, PA

NEIGHBORHOOD MAP



AREA MAP



Site Description

Size: 1,325 SF

Frontage: 75.05' (along north side of West Moyamensing Avenue)

Shape: Triangular

Location: Corner parcel

Topography: Level

Utilities:

Electricity - PECO Energy

Gas - PGW

Water - Municipal

Sewer - Municipal

All utilities are connected to the site.

Access/Visibility:

Access: Pedestrian access from W. Moyamensing Avenue. Good

Pedestrian access from S. 13th Street Good

Visibility: W. Moyamensing Avenue Good

S. 13th Street Good

Easements and Restrictions:

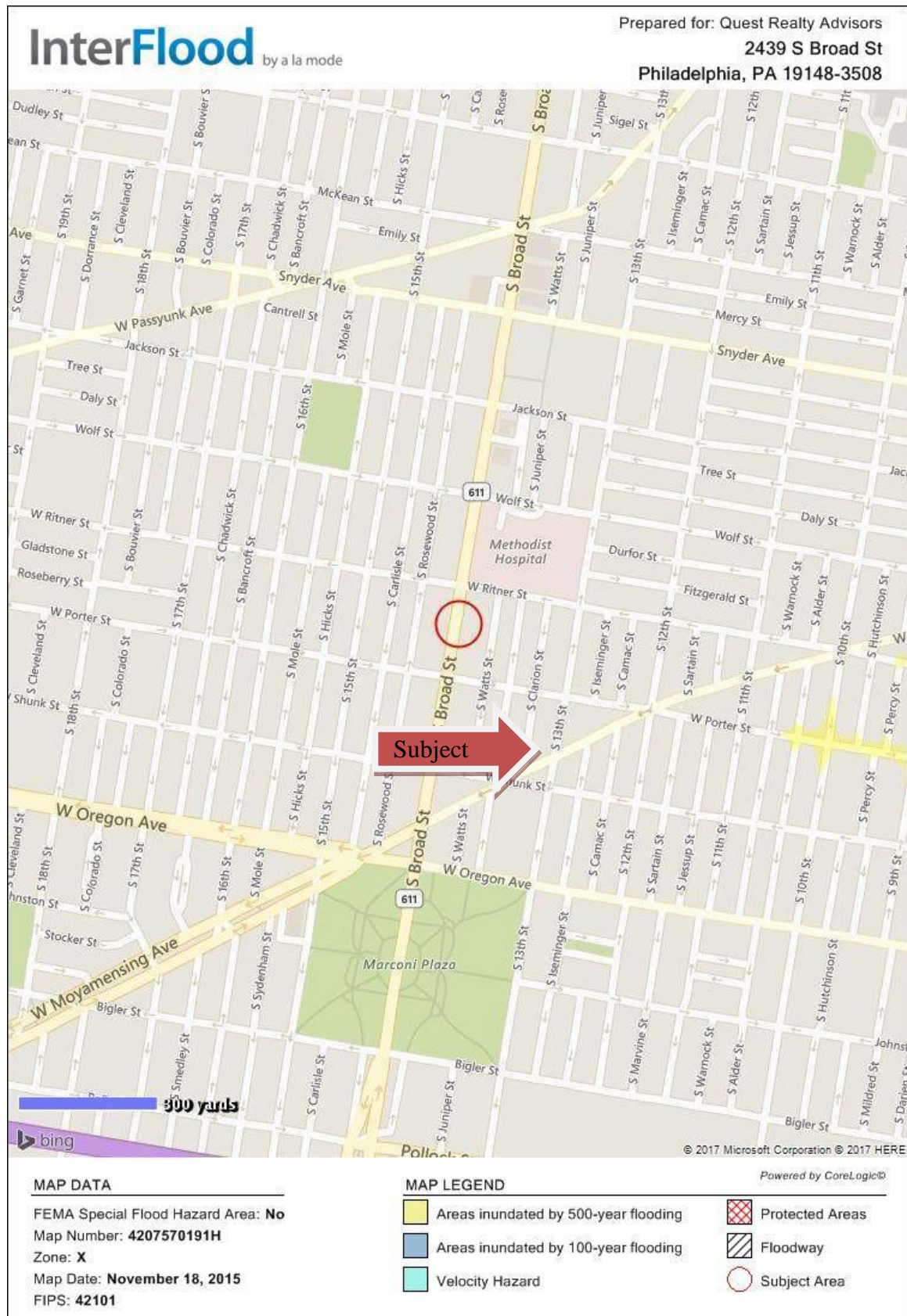
A title report was not provided for review. It is unknown as to whether there are other easements encumbering the subject site.

FEMA Flood Classification:

The subject property is located in an "X" classified flood zone, an area with minimal flood risk, as indicated on FEMA Map 4207570191H, dated 11/18/2015.

1301 West Moyamensing Avenue

Philadelphia, PA



Description Of The Improvements

The following chart provides a summary description of the improvements.

Building Size	Commercial building containing 3,335 SF. The appraiser did not measure the subject building on the date of inspection but instead relied on the City of Philadelphia records.
Year Built/Layout	The structure dates to 1920, with \$433,000 of repairs/renovations in 2009-2021. The first floor contains one unit which has historically been in use as restaurant/bar. There is a newly finished basement that is accessed via an interior set of stairs as well exterior Bilco doors. The second contains two apartments (1) 2BR/1BA and (2) Efficiency. Inspection was made of the entire building. The first floor commercial unit has an interior dining area with decorative wood bar and commercial kitchen being renovated and in-place. The lower level has food preparation areas and a walk in refrigerator.
Building Use	Retail/commercial and residential mixed-use building (three units)
Floors/Frame	Two story corner wood frame and exterior brick construction and stone façade.
Foundation	Stone foundation common for buildings of the subject's vintage.
Roof	Asphalt covered roof as seen from an aerial view. The roof was not inspected.
Structure/Frame/ Access	Glass in aluminum frame windows on the first floor. The second floor has vinyl double hung windows. The second floor units are accessed via an exterior stairwell from W. Moyamensing Avenue that leads to an outdoor deck. Each apartment unit has a private entrance.
Interior Walls	Painted drywall or plaster.
Flooring	Wood base with vinyl tile floors throughout.

Ceilings	Painted plaster or drywall ceilings. LED or decorative lighting on the first floor.
Electric	Not inspected but assumed to be adequate.
HVAC/Hot Water	Each unit has its own hot water heater and heating system. The first floor has central air conditioning, and the 2 nd floor has window units.
Plumbing	Copper intake lines with cast iron outflow lines as is common for the subject's vintage in the City of Philadelphia.
Land/Building Ratio	0.40. Land to building ratios of less than or equal to 1:1 are common in densely developed urban areas.

Assessment and Taxes

A review of the tax assessor's records revealed the current assessment, taxes and tax rate for the subject which is summarized as follows:

Assessed Value

The Assessor is also responsible for establishing the assessed values of properties. They are calculated by multiplying a property's market value by a pre-determined ratio. This ratio is currently set to 100% for the whole county. The assessment process takes place every year.

Assessed value	=	\$292,400
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Taxable Value

[Exemptions](#) are available in Philadelphia County which may lower the property's tax bill. These are deducted from the assessed value to give the property's *taxable value*.

This property currently benefits of **homestead exemption**.

In effect for 2021 Real Estate Tax bills, the assessed value of the property is reduced by \$45,000 when you get [Homestead](#).

Assessed value	\$292,400
Homestead exemption value	- \$45,000
Taxable value	= \$247,400

Property Tax

Base tax in Philadelphia County is calculated by multiplying the taxable value with the corresponding tax rates and it is an estimate of what an owner **not** benefiting from tax exemptions would pay.

There is a general [property tax rate](#) of 1.3998% for the whole county, comprised of 0.6317% allocated to the city, and 0.7681% allocated to schools.

Tax description	Assessed value		Tax rate		Tax amount
City	\$292,400	x	0.6317	=	\$1,847.09
School	\$292,400	x	0.7681	=	\$2,245.92
Base tax	\$292,400	x	1.3998	=	\$4,093

Current tax represents the amount the present owner pays including exemptions.

Tax description	Taxable value		Tax rate		Tax amount
Current tax	\$247,400	x	1.3998	=	\$3,463

Zoning

LAND USE CONTROLS

The subject property is situated in the CMX-1, Neighborhood Commercial Mixed Use District. The permitted uses, bulk and area requirements are as follows:

§ 14-402. Commercial and Commercial Mixed-Use Districts.

(1) General.

(a) Districts.

(.1) List.

The City's Commercial and Commercial Mixed-Use zoning districts are listed in [Table 14-402-1](#), below. When this Zoning Code refers to "Commercial" zoning districts, it is referring to all of these districts as of the effective date of this Zoning Code.

Table 14-402-1: Commercial and Commercial Mixed-Use Districts

Map Symbol	District Name	Previously Known As
CMX-1	Neighborhood Commercial Mixed-Use-1	C-1
CMX-2	Neighborhood Commercial Mixed-Use-2	C-2
		RC-1
		RC-2
		OC
CMX-2.5	Neighborhood Commercial Mixed-Use-2.5	Various special district controls
CMX-3	Community Commercial Mixed-Use	C-3
		RC-3
CMX-4	Center City Commercial Mixed-Use	C-4
CMX-5	Center City Core Commercial Mixed-Use	C-5
CA-1	Auto-Oriented Commercial-1	C-7
		NSC
CA-2	Auto-Oriented Commercial-2	ASC
	Eliminated >>	C-6

(.2) Map Symbols.

(a) The alphanumeric map symbols are intended to provide a general, relative indication of the range of uses and activities allowed within the respective districts. "CMX" is used to indicate a mixed-use zoning district that is intended to accommodate both commercial and non-commercial development.

(b) The numeral following the dash in the Commercial district map symbols is a relative indicator of the density/intensity or use, with a "1" indicating the lowest density/intensity/use option.

(b) Purposes.

Philadelphia's commercial zoning districts are primarily intended to accommodate and promote neighborhood-, community- and region-serving commercial uses, as well as mixed-use development consisting of commercial and residential uses in the same building or on the same site. This type of mixed-use development is encouraged in many areas of the City because it reflects the City's traditional urban, pedestrian-oriented character. Encouraging residential development in Commercial zoning districts also provides increased housing choice and reduces motorized transportation demands. The Commercial districts are distinguished primarily on the basis of allowed uses and commercial floor area limits. In the event of a conflict between any provision of this § 14-402 (Commercial and Commercial Mixed-Use Districts) and any other provision of this Zoning Code, the latter shall govern.

(c) Descriptions.

(.1) CMX-1, Neighborhood Commercial Mixed-Use District.

The CMX-1, Neighborhood Commercial Mixed-Use district is primarily intended to accommodate low-impact, small-scale, neighborhood-serving retail and service uses in storefront buildings, as well as the types of residential uses allowed in surrounding zoning districts.

(.2) CMX-2, Neighborhood Commercial Mixed-Use District-2.

The CMX-2, Neighborhood Commercial Mixed-Use district is primarily intended to accommodate neighborhood-serving retail and service uses. The range of allowed uses is broader than the CMX-1 district.

(.3) CMX-2.5, Neighborhood Commercial Mixed-Use District-2.5.

The CMX-2.5, Neighborhood Commercial Mixed-Use district is primarily intended to accommodate active, pedestrian-friendly retail and service uses in commercial nodes and along commercial corridors. The range of allowed uses is slightly narrower than the CMX-2 district and the development standards are intended to promote a pedestrian-oriented environment.

(.4) CMX-3, Community Commercial Mixed-Use District.

The CMX-3, Community Commercial Mixed-Use district is primarily intended to accommodate community- and region-serving retail and service uses. The range of allowed uses is broader than the CMX-1 and CMX-2 districts.

(.5) CMX-4, Center City Commercial Mixed-Use District.

The CMX-4, Center City Commercial Mixed-Use district is primarily intended to accommodate mixed-use development, including a broad range of nonresidential uses, in the Center City area.

(.6) CMX-5, Center City Core Commercial Mixed-Use District.

The CMX-5, Center City Core Commercial Mixed-Use district is primarily intended to accommodate mixed-use development in the central core area of center City.

(.7) CA-1 and CA-2, Auto-Oriented Commercial Districts.

The primary purpose of the CA-1 and CA-2, Auto-Oriented Commercial districts is to accommodate a very broad range of uses, often in the physical form of shopping centers and other destination-oriented uses in which a large percentage of customers will arrive by automobile.

(2) Allowed Uses.

Principal uses are allowed in Commercial districts in accordance with [Table 14-602-2](#). Uses classified as accessory uses are not regulated by the use table. Accessory uses are permitted in conjunction with allowed principal uses, provided they comply with all applicable regulations of § [14-603](#) (Use-Specific Standards) and § [14-604](#) (Accessory Uses and Structures).

(3) Dimensional Standards.

Dimensional standards that apply in Commercial districts are set forth in § [14-701](#) (Dimensional Standards).

(4) Multiple Principal Uses and Buildings.

- (a) Multiple principal uses are allowed on a single lot in Commercial districts.
- (b) Multiple principal buildings may be placed on a single lot in all Commercial districts, except CMX-1, CMX-2, and CMX-2.5, where multiple principal buildings may be placed on a single lot only if approved as a special exception in accordance with the procedures of § [14-303\(7\)](#) (Special Exception Approval).

Commercial Districts.

Principal uses are allowed in Commercial districts in accordance with [Table 14-602-2](#). Uses classified as accessory uses, such as home occupations, are not regulated by the use table. Accessory uses are permitted in conjunction with allowed principal uses, provided they comply with all applicable regulations of § [14-603](#) (Use-Specific Standards) and § [14-604](#) (Accessory Uses and Structures).

(a) Notes for [Table 14-602-2](#).

- [1] When the proposed use is in an attached or semi-detached building, the household living use regulations of the residential district to which it is attached apply. Otherwise, the residential use regulations of the most restrictive adjacent residential district apply.
- [2] A maximum of two dwelling units are permitted for lots less than 1,440 sq. ft. in area. A maximum of three dwelling units are permitted for lots that are 1,440 sq. ft. to

1,919 sq. ft. in area. A minimum of 480 sq. ft. of lot area is required per dwelling unit for the lot area in excess of 1,919 sq. ft. Notwithstanding the foregoing, in CMX-2 and CMX-2.5 districts, if the green roof conditions set forth at § [14-602\(7\)](#) are met, then the foregoing maxima and minima shall not apply, and a minimum of 360 sq. ft. of lot area is required per dwelling unit. Whenever the calculation of permitted number of dwelling units results in a fraction of a dwelling unit, then the number of permitted dwelling units shall be rounded down to the nearest whole number. [330](#)

[3] In order to promote active uses at the street level, an attached building in the CMX-2 district must contain a non-residential use along 100% of the ground floor frontage and within the first 30 ft. of building depth, measured from the front building line. [331](#)

[4] Residential uses are prohibited along the ground floor frontage of buildings within the CMX-2.5 district.

[5] Office, retail, and commercial service uses may not be located above the ground floor and may not occupy more than 2,000 sq. ft. of gross floor area. [332](#)

[6] In CMX-4 and CMX-5 districts, underground parking garages are permitted; otherwise any portion of a parking garage located above ground level requires special exception approval.

[7] Two-family household living is permitted in the CMX-3 district provided at least 50% of the ground floor frontage contains a non-residential use, or the lot area is less than 1,440 sq. ft. [332.1](#)

Table 14-602-2: Uses Allowed in Commercial Districts [333](#) *{For a printable PDF*

Table 14-602-2: Uses Allowed in Commercial Districts³³³

Previous District Name	C-1	C-2/RC-2	(/NCC)	C-3/RC-3	C-4	C-5	C-7/NSC	ASC	
District Name	CMX-1	CMX-2	CMX-2.5	CMX-3	CMX-4	CMX-5	CA-1	CA-2	Use-Specific Standards
Y = Yes permitted as of right S = Special exception approval required N = Not allowed (expressly prohibited) Uses not listed in this table are prohibited See § 14-602(4)(a) (Notes for Table 14-602-2) for information pertaining to bracketed numbers (e.g., "[2]") in table cells.									
Residential Use Category									
Household Living (as noted below)									
Single-Family	[1]	Y[3]	Y[4]	N	N	N	N	N	
Two-Family	[1]	Y[3]	Y[4]	Y[7]	N	N	N	N	
Multi-Family	[1][2]	Y[2][3]	Y[2][4]	Y	Y	Y	N	N	
Group Living (except as noted below)	N	N	N	Y	Y	Y	N	N	
Personal Care Home	N	S	S[4]	Y	Y	Y	Y	N	§ 14-603(11)
Single-Room Residence	N	N	N	Y	Y	Y	N	N	
Parks and Open Space Use Category									
Passive Recreation	Y	Y	Y	Y	Y	Y	Y	Y	
Active Recreation	S	S	S	Y	Y	Y	Y	Y	
Public, Civic, and Institutional Use Category									
Day Care (as noted below)									
Family Day Care	Y	Y	Y	Y	Y	Y	N	N	§ 14-603(5)
Group Day Care	Y	Y	Y	Y	Y	Y	Y	Y	§ 14-603(5)
Day Care Center	S	Y	Y	Y	Y	Y	Y	Y	§ 14-603(5)
Educational Facilities	N	Y	N	Y	Y	Y	N	Y	
Fraternal Organization	N	Y	S	Y	Y	Y	N	Y	
Hospital	N	Y	Y	Y	Y	Y	N	Y	
Libraries and Cultural Exhibits	Y	Y	Y	Y	Y	Y	Y	Y	
Religious Assembly	Y	Y	S	Y	Y	Y	N	Y	
Safety Services	Y	Y	Y	Y	Y	Y	Y	Y	
Transit Station	Y	S	S	Y	Y	Y	S	Y	
Utilities and Services, Basic	S	S	N	S	S	S	S	S	
Wireless Service Facility (as noted below)									
Freestanding Tower	S	S	S	Y	Y	Y	S	Y	§ 14-603(16)
Building or Tower-Mounted Antenna	Y	Y	Y	Y	Y	Y	Y	Y	§ 14-603(17)
Office Use Category									
Business and Professional	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Medical, Dental, Health Practitioner (as noted below)									
Sole Practitioner	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Group Practitioner	S[5]	S	S	Y	Y	Y	Y	Y	
Government	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Retail Sales Use Category									
Building Supplies and Equipment	Y[5]	Y	Y	Y	Y	Y	Y	Y	§ 14-603(3)
Consumer Goods (except as noted below)	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Drug Paraphernalia Sales	N	N	N	N	N	N	N	N	§ 14-603(13)
Gun Shop	N	N	N	N	N	N	N	N	§ 14-603(13)
Food, Beverages, and Groceries	Y[5]	Y	Y	Y	Y	Y	Y	Y	§ 14-603(7)
Pets and Pet Supplies	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Sundries, Pharmaceuticals, and Convenience Sales	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Wearing Apparel and Accessories	Y[5]	Y	Y	Y	Y	Y	Y	Y	

1301 West Moyamensing Avenue

Philadelphia, PA

Previous District Name	C-1	C-2/RC-2	(/NCC)	C-3/RC-3	C-4	C-5	C-7/NSC	ASC	
District Name	CMX-1	CMX-2	CMX-2.5	CMX-3	CMX-4	CMX-5	CA-1	CA-2	Use-Specific Standards
Y = Yes permitted as of right S = Special exception approval required N = Not allowed (expressly prohibited) Uses not listed in this table are prohibited See § 14-602(4)(a) (Notes for Table 14-602-2) for information pertaining to bracketed numbers (e.g., "[2]") in table cells.									
Commercial Services Use Category									
Animal Services (except as noted below)	Y[5]	S	S	Y	Y	Y	Y	Y	
Boarding and Other Services	N	N	N	N	N	N	N	N	§ 14-603(14)
Assembly and Entertainment (except as noted below)	N	S	S	S	Y	Y	S	Y	
Amusement Arcade	N	N	N	N	N	N	N	N	§ 14-603(13)
Casino	N	N	N	N	N	N	N	N	
Nightclubs and Private Clubs	N	S	N	S	Y	Y	N	Y	§ 14-603(18)
Pool or Billiards Room	N	N	N	N	N	N	N	N	§ 14-603(13)
Building Services	N	N	N	Y	Y	Y	N	Y	
Business Support	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Eating and Drinking Establishments (as noted below)									
Prepared Food Shop	S[5]	Y	Y	Y	Y	Y	Y	Y	
Take-Out Restaurant	N	S	S	Y	Y	Y	S	Y	§ 14-603(6)
Sit Down Restaurant	N	Y	Y	Y	Y	Y	Y	Y	
Financial Services (except as noted below)	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Personal Credit Establishment	N	N	N	N	N	N	N	N	§ 14-603(13)
Funeral and Mortuary Services	S[5]	Y	N	Y	Y	Y	Y	Y	
Maintenance and Repair of Consumer Goods (except as noted below)	Y[5]	Y	Y	Y	Y	Y	Y	Y	
On-Premise Dry Cleaning	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Marina	N	N	N	Y	Y	Y	N	N	
Parking, Non-Accessory (as noted below)									
Surface Parking	N	S	N	S	N	N	S	Y	§ 14-603(10)
Structured Parking	N	S	S	Y	[6]	[6]	S	Y	§ 14-603(10)
Personal Services (except as noted below)	Y[5]	Y	Y	Y	Y	Y	Y	Y	
Body Art Service	N	N	N	N	N	N	N	N	§ 14-603(2); § 14-603(13)
Fortune Telling Service	N	N	N	Y	Y	Y	Y	Y	
Radio, Television, and Recording Services	N	Y	Y	Y	Y	Y	Y	Y	
Visitor Accommodations	N	N	N	Y	Y	Y	N	Y	
Commissaries and Catering Services	N	Y	Y	Y	Y	Y	Y	Y	
Vehicle and Vehicular Equipment Sales and Services Use Category									
Commercial Vehicle Sales and Rental	N	N	N	N	N	N	N	S	
Personal Vehicle Repair and Maintenance	N	N	N	Y	Y	Y	N	N	
Personal Vehicle Sales and Rental	N	N	N	Y	Y	Y	N	S	
Vehicle Fueling Station	N	N	N	S	N	N	S	Y	§ 14-603(8)
Vehicle Equipment and Supplies Sales and Rental	N	Y	N	Y	Y	Y	S	S	
Wholesale, Distribution, and Storage Use Category									
Moving and Storage Facilities	N	N	N	N	N	N	N	Y	
Wholesale Sales and Distribution	N	N	N	N	N	N	N	Y	§ 14-603(1)
Industrial Use Category									
Artist Studios and Artisan Industrial	N	Y	Y	Y	Y	Y	N	Y	
Research and Development	N	Y	Y	Y	Y	Y	Y	Y	
Urban Agriculture Use Category									
Community Garden	Y	Y	Y	Y	Y	Y	Y	Y	§ 14-603(15)
Market or Community-Supported Farm	Y	Y	Y	Y	N	N	Y	Y	§ 14-603(15)

Conclusion

The subject property can be developed with a wide range of uses which are permitted under the current zoning.

Highest and Best Use

Highest and best use may be defined as

“the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value”.²

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use as vacant is for a mixed commercial/ retail and residential use.

Highest and Best Use as Improved

The highest and best use as currently improved is to continue the present commercial/retail use and residential mixed use.

Valuation Methodology

There are three approaches to value generally employed in the valuation of real estate. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

The Cost Approach

The Cost Approach was not appropriate for this older property, since it is generally used when the building improvements are relatively new, or to be built, for specialized uses, for properties that have abnormally high land to building ratios, or for owner-occupied properties where little or no information is available on comparable sales or rentals. It represents the highest and best use of the site and its replacement or reproduction cost can be reliably estimated. From the estimated cost to reproduce a similar structure, a deduction is made for estimated depreciation from all causes and the value of the land is added to the depreciated cost of the improvements.

The Sales Comparison Approach

The Sales Comparison Approach requires identification and inspection of comparable properties, which have recently sold. Similarities and dissimilarities in the market between the Subject and the comparable properties would generally be noted with respect to location, physical characteristics, the time elapsed since the sale and financing terms/motivating forces behind the transactions, and adjustments are made to arrive at an indicated value. The sales comparison approach was considered and was developed because there is adequate recent comparable sales data to develop a value opinion.

The Income Capitalization Approach

An Income Capitalization Approach utilizes either the Direct Capitalization or Discounted Cash Flow Method. In the Direct Capitalization Method, a stabilized net operating income is derived based on an estimate of stabilized rents, along with a detailed analysis of applicable expenses. In the Direct Capitalization Method, the market value conclusion is derived by dividing the indicated net operating income by an appropriate overall, or going in, capitalization rate. This method is most appropriate when the stream of income and expenses is expected to be fairly constant over time. The income approach is appropriate, since the subject is an income-producing property.

Reconciliation and Value Conclusion

The utilized valuation methods (if more than one is used) are compared and reconciled in estimating the current market value of the subject property.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

- Estimate the land value according to its Highest and Best Use.
 - Comparable sales, contracts for sale and current offerings are researched and documented.
 - Each comparable is analyzed and adjusted to equate with the subject property.
 - The value indication of each comparable is analyzed and the data reconciled for a land value indication.
- Estimate the replacement cost of the building and site improvements.
- Estimate the physical, functional and/or external depreciation accrued to the improvements.
- Sum the depreciated value of the improvements with the value of the land for an indication of value.

The cost approach is not appropriate for this property, since the typical buyer of this type of property does not make a purchase decision on the basis of depreciated cost criteria .

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparable Mixed-Use Sales

We have researched and included seven comparable mixed-use retail and residential building sales for this analysis, all within the same South Philadelphia neighborhood of the City of Philadelphia; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, and verified by a party familiar with the details of the transaction.

Comparable Mixed-Use Sale 1



Location: 2315 So. 22nd Street, Philadelphia, PA
Philadelphia County

Parcel No.: 871574820//

Grantor: HomeSmart Realty Advisors

Grantee: 2315 So. 22nd Street, LLC

Date of Sale: 9/19/2022

Deed Reference: 54101289

Lot Size: 1,307 /SF

Building Size: 2,168 /SF

Land:Bldg Ratio: 0.60

Sale Price: \$550,000

Price/Sq.ft.: \$253.69

Source: CoStar, Assessor Records

Comments: This is a two-story, mixed-use building, with ground floor retail space, and upper floor residential space. The building was constructed in 1920, and contains 2,168 square feet, and is situated on a 1,307 square foot corner site. There is no on-site parking available.

Comparable Mixed-Use Sale 2



Location: 908 Christian Street, Philadelphia, PA
Philadelphia County

Parcel No.: 871502190//

Grantor: Jon Quoc Trinh

Grantee: Fazool Properties, LLC

Date of Sale: 5/31/2022

Deed Reference: 54054975

Lot Size: 2,178 /SF

Building Size: 2,430 /SF

Land:Bldg Ratio: 0.90

Sale Price: \$645,000

Price/Sq.ft.: \$265.43

Source: CoStar, Assessor Records

Comments: This is a three-story, mixed-use building, with ground floor retail space occupied as a restaurant, and upper floor residential space. The building was constructed in 1915, and contains 2,430 square feet, and is situated on a 2,178 square foot mid-block site. There is no on-site parking available. It reportedly sold for an indicated capitalization rate of 6.63%

Comparable Mixed-Use Sale 3



Location: 1600 E. Passyunk Ave., Philadelphia, PA
Philadelphia County

Parcel No.: 871559020//

Grantor: 1600 Epa, LLC

Grantee: 1600 EPAVE, LLC

Date of Sale: 8/3/2022

Deed Reference: 54075756

Lot Size: 2,614 /SF

Building Size: 3,353 /SF

Land:Bldg Ratio: 0.78

Sale Price: \$1,200,000

Price/Sq.ft.: \$357.89

Source: CoStar, Assessor Records

Comments: This is a three-story, mixed-use building, with ground floor retail space occupied by Metro Clothing, and upper floor residential space. The building was constructed in 1915, and contains 3,353 square feet, and is situated on a 2,614 square foot corner site, at a signalized intersection. The property was reported to have been sold at a 5.06% capitalization rate. There is no on-site parking available.

Comparable Mixed-Use Sale 4



Location: 1623 E. Passyunk Ave., Philadelphia, PA
Philadelphia County

Parcel No.: 871182250//

Grantor: 1623 Passyunk, Lp

Grantee: Encelade, LLC

Date of Sale: 12/13/2021

Deed Reference: 53942010

Lot Size: 871 /SF

Building Size: 2,700 /SF

Land:Bldg Ratio: 0.32

Sale Price: \$696,000

Price/Sq.ft.: \$257.78

Source: CoStar, Assessor Records

Comments: This is a three-story, mixed-use building, with ground floor retail space occupied by a restaurant, and upper floor residential space. The building was constructed in 1920, and contains 2,700 square feet, and situated on a 871 square foot mid-block site. There is no on-site parking available.

Comparable Mixed-Use Sale 5



Location: 1913-1915 E. Passyunk Ave., Philadelphia, PA
Philadelphia County

Parcel No.: 882015940, 882015930//

Grantor: Mirella & Michele Dipalma

Grantee: Cena Italian, LLC

Date of Sale: 8/24/2021

Deed Reference: 53910077

Lot Size: 1,498 /SF

Building Size: 2,560 /SF

Land:Bldg Ratio: 0.59

Sale Price: \$1,180,000

Price/Sq.ft.: \$460.94

Source: CoStar, Assessor Records

Comments: This is a two-story, mixed-use building, with ground floor retail space that is occupied by a restaurant, and upper floor residential space. The building was constructed in 1915, and contains 2,560 square feet, and situated on a 1,498 square foot mid-block site, comprised of two adjoining parcels. There is no on-site parking available.

Comparable Mixed-Use Sale 6



Location: 1247 Snyder Avenue, Philadelphia, PA
Philadelphia County

Parcel No.: 871180950, 871558230, 262241900//

Grantor: John & Sally Messina

Grantee: S&N Property Group, LLC

Date of Sale: 2/17/2022

Deed Reference: 54009236

Lot Size: 1,259 /SF

Building Size: 2,700 /SF

Land:Bldg Ratio: 0.47

Sale Price: \$920,000

Price/Sq.ft.: \$340.74

Source: CoStar, Assessor Records

Comments: This is a three-story, mixed-use building, with ground floor retail space occupied by a mini-market, and upper floor residential space. The building was constructed in 1925, and contains 2,700 square feet, and situated on a 1,259 square foot corner site, comprised of three adjoining parcels, at a signalized intersection. There is no on-site parking available.

Comparable Mixed-Use Sale 7



Location: 627 South Street, Philadelphia, PA
Philadelphia County

Parcel No.: 882653600//

Grantor: 627 South Street, LLC

Grantee: Le & Nguyen Properties, LLC

Date of Sale: 3/15/2021

Deed Reference: 53822113

Lot Size: 1,307 /SF

Building Size: 2,465 /SF

Land:Bldg Ratio: 0.53

Sale Price: \$765,000

Price/Sq.ft.: \$310.34

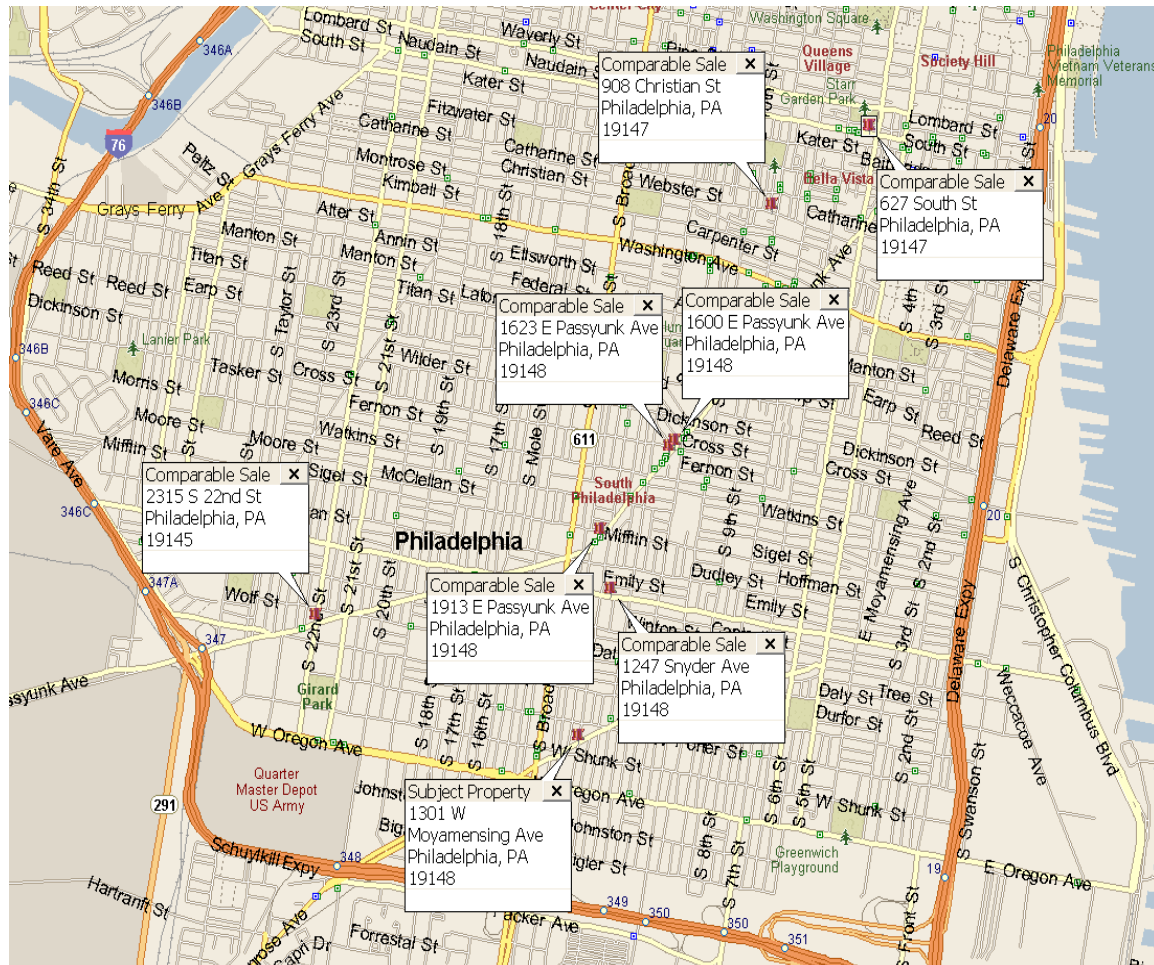
Source: CoStar, Assessor Records

Comments: This is a three-story, mixed-use building, with ground floor retail space that has been occupied as a restaurant, and upper floor residential space. The building was constructed in 1900, and contains 2,465 square feet, and situated on a 1,307 square foot mid-block site. The property was reported to have been sold at a 7.80% capitalization rate. There is no on-site parking available.

1301 West Moyamensing Avenue

Philadelphia, PA

Comparable Sales Location Map



1301 West Moyamensing Avenue

Philadelphia, PA

Comparable Mixed-Use Sales Summary and Adjustment Grid

COMPARABLE MIXED USE BUILDING SALES SUMMARY AND ADJUSTMENT GRID									
Address	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7	
1301 Moyamensing Avenue Philadelphia, PA	Subject Philadelphia, PA	2315 So. 22nd Street Philadelphia, PA	908 Christian Street Philadelphia, PA	1600 E. Passyunk Ave. Philadelphia, PA	1623 E. Passyunk Ave. Philadelphia, PA	1913-1915 E. Passyunk Ave. Philadelphia, PA	1247 Snyder Avenue Philadelphia, PA	627 South Street Philadelphia, PA	
Sale Price		\$550,000	\$645,000	\$1,200,000	\$696,000	\$1,180,000	\$920,000	\$785,000	
Sale Date/Time		9/19/2022	5/31/2022	8/3/2022	12/13/2021	8/24/2021	2/17/2022	3/15/2021	
Bldg Size (Sq.Ft.)	3,335	2,168	2,430	3,353	2,700	2,560	2,700	2,465	
Year Built (Renovated)	1920	1915	1915	c 1920	1915	1915	1925	1900	
Bldg. Use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	
Site Area (Sq.ft.)	1,325	1,307	2,178	2,614	871	1,498	1,259	1,307	
Land/Building Ratio	0.40	0.60	0.90	0.78	0.32	0.59	0.47	0.53	
Price/Sq.ft.		\$253.69	\$265.43	\$357.89	\$257.76	\$460.94	\$340.74	\$310.34	
Adjustments									
Property Rights		0%	0%	0%	0%	0%	0%	0%	
Conditions of Sale		0%	0%	0%	0%	0%	0%	0%	
Financing		0%	0%	0%	0%	0%	0%	0%	
Adjusted Price/Sq.ft.		\$253.69	\$265.43	\$357.89	\$257.76	\$460.938	\$340.741	\$310.34	
Mkt Cond./Time Adjust		1.5%	3.0%	2.0%	5.0%	6.5%	4.5%	9.0%	
Time Adjusted Price/Sq.ft.		\$257.50	\$273.40	\$365.05	\$270.67	\$490.90	\$356.07	\$338.28	
Location		0%	0%	-10%	-10%	-20%	0%	0%	
Building Size (Sq.Ft.)		0%	0%	0%	0%	0%	0%	0%	
Age/Quality/Condition		0%	0%	0%	0%	-10%	10%	0%	
Corner Influence		0%	10%	0%	10%	10%	0%	10%	
Land/Building Ratio		0%	-5%	-5%	0%	0%	0%	0%	
Parking		0%	0%	0%	0%	0%	0%	0%	
Net Adjustments		0%	5%	-15%	0%	-20%	10%	10%	
Adjusted Price/Sq.ft.		\$257.50	\$287.06	\$310.29	\$270.67	\$392.72	\$391.68	\$372.10	

EXPLANATION OF ADJUSTMENTS

We have made market trends time adjustments at the rate of 5.0% per year, to take into consideration trends in prices since the dates of sale.

Other price adjustments that have been applied include consideration for location, building size scale, age/quality/condition, corner influence, land/building ratio and parking.

Rules for Adjustments

When the comparable sale is inferior to the subject regarding a particular characteristic, a positive price adjustment is made to the sale. When the comparable sale is superior to the subject regarding a particular characteristic, a negative price adjustment is made to the sale. There is no price adjustment made when a particular characteristic is not sufficiently different enough to warrant any adjustment.

RECONCILIATION AND AS-IS MARKET VALUE OPINION CONCLUSION

Utilizing the price per square foot of floor area unit of comparison, the indicated value of the subject property is bracketed between \$257.50 and \$392.72 per square foot. The average adjusted price per square foot is \$326.00 and the median adjusted price per square foot is \$310.29. The appropriate market value of the subject property based on this unit of comparison is concluded at \$315.00 per square foot, resulting in a market value for the subject calculated as follows: 3,335 square feet @ \$315.00/square foot, or \$1,050,525, or rounded to:

**AS-IS MARKET VALUE OPINION OF SUBJECT MIXED-USE RETAIL/
RESIDENTIAL PROPERTY VIA SALES COMPARISON APPROACH**
ONE MILLION FIFTY THOUSAND DOLLARS
(\$1,050,000)

Income Capitalization Approach

The Income Approach reflects the subject's income-producing capabilities. The two commonly used techniques of valuation associated with the Income Approach are **Direct Capitalization** and **Discounted Cash Flow Analysis**, as described in the Appraisal Process section of this report.

For the purpose of this valuation, I have utilized **Direct Capitalization** which is a method utilized to convert a single year's estimate of net income into a value indication. In Direct Capitalization, there is no precise allocation made between return on and return of capital. As implied in the definition, value change is implied but not defined. The method does not simulate investors' assumptions of forecasts regarding a holding period, pattern of income stream and change in value of the original investment. Implicit in the rates or factors utilized in direct capitalization is the investor's satisfactory rate of return and recapture of the capital invested. The rates and factors are derived from similar investment properties.

The direct capitalization method is preferred when the appraiser can derive overall capitalization rates from reliable data on similar competitive properties. This method is appropriate when no great fluctuation in income is anticipated as it converts a single year's net income, which should represent stabilized income, to value. Using this method, one must:

1. Project potential income from all sources that a competent owner could generate from a property.
2. Deduct an estimate of vacancy and collection allowance to arrive at Effective Gross Income.
3. Deduct operating expense and real estate taxes from Effective Gross Income. The result is a stabilized net operating income.
4. Develop an overall capitalization rate.
5. Divide the net operating income by the overall capitalization rate, resulting in a value estimate.

In the analysis which follows, a stabilized estimate of the annual net income for the property (cash flow before debt service and income taxes) was developed and converted into equivalent capital value using an appropriate capitalization rate. Comparable retail and apartment rentals in the subject's competitive market area were used to make a determination of market rent for the proposed subject commercial space and apartment units. Data were compiled from sources which are believed to be reliable.

COMPARABLE RETAIL/COMMERCIAL RENTALS

1 1225 Walnut St

Philadelphia, PA 19107 - Market Street East Submarket



LEASE

SF Leased: **2,142 SF**
Sign Date: **Aug 2022**
Space Use: **Retail**
Lease Type: **Direct**
Floor: **1st Floor**

LEASE TERM

Start Date: **Sep 2022**
Expiration Date: **Sep 2027**
Lease Term: **5 Years**

RENTS

Asking Rent: **\$35.00/NNN**
Starting Rent: **\$35.00/NNN**
Effective Rent: **\$35.00/NNN**

CONCESSIONS AND BUILDOUT

Asking Discount: **0.00%**
Buildout: **Standard Retail**
Buildout Status: **Full Build-Out**
Space Condition: **Average**

PROPERTY EXPENSES

Taxes: **\$2.39/SF (2022)**

TIME ON MARKET

Date On Market: **Jun 2022**
Date Off Market: **Aug 2022**
Months on Market: **3 Months**

TIME VACANT

Date Vacated: **Jan 2023**
Date Occupied: **Sep 2022**

MARKET AT LEASE

Vacancy Rates	2022 Q3	YOY
Current Building	0.0%	↔ 0.0%
Submarket 1-3 Star	3.7%	▼ -1.8%
Market Overall	4.5%	▼ -0.6%

Same Store Asking Rent/SF	2022 Q3	YOY
Current Building	\$35.32	▼ -16.7%
Submarket 1-3 Star	\$36.58	▼ -3.3%
Market Overall	\$20.96	▲ 0.7%

Submarket Leasing Activity	2022 Q3	YOY
12 Mo. Leased SF	21,152	▼ -34.8%
Months On Market	13.2	▲ 0.5

LEASING REP

MSG

936 Market St
Philadelphia, PA 19107
Rafi Vaturi (215) 432-7159

PROPERTY

Property Type:	Retail	Rentable Area:	7,500 SF
Status:	Built 2005	Stories:	4
Tenancy:	Multi	Floor Size:	2,000 SF
Class:	C	Vacancy at Lease:	0.0%
Construction:	Masonry	Land Acres:	0.05

1301 West Moyamensing Avenue

Philadelphia, PA

2 1305 Locust St
Philadelphia, PA 19107 - Market Street East Submarket



TENANT

Tenant Name: **The Cauldron Philadelphia LLC**
Industry: **Retailer**

LEASE

SF Leased: **2,500 SF**
Sign Date: **Dec 2021**
Space Use: **Retail**
Lease Type: **Direct**
Floor: **1st Floor**

RENTS

Starting Rent: **\$31.68/NNN**

PROPERTY EXPENSES

Taxes: **\$1.83/SF (2022)**

LEASE TERM

Start Date: **Dec 2021**
Expiration Date: **Dec 2026**
Lease Term: **5 Years**

TIME VACANT

Date Occupied: **Dec 2021**

MARKET AT LEASE

Vacancy Rates	2021 Q4	YOY
Current Building	0.0%	↔ 0.0%
Submarket 1-3 Star	6.4%	▲ 0.6%
Market Overall	9.8%	▲ 0.5%

Same Store Asking Rent/SF	2021 Q4	YOY
Current Building	\$24.03	▲ 2.7%
Submarket 1-3 Star	\$27.30	▲ 1.6%
Market Overall	\$26.76	▲ 0.7%

Submarket Leasing Activity	2021 Q4	YOY
12 Mo. Leased SF	330,749	▼ -52.1%
Months On Market	17.1	▲ 0.3

LEASING REP

MPN Realty
1601 Walnut St, Suite 900
Philadelphia, PA 19102-2944
Veronica Blum (267) 238-1728

TENANT REP

MPN Realty
1601 Walnut St, Suite 900
Philadelphia, PA 19102-2944
Veronica Blum (267) 238-1728

PROPERTY

Property Type: **Office**
Status: **Built 1963**
Tenancy: **Multi**
Class: **B**

Rentable Area: **9,400 SF**
Stories: **4**
Floor Size: **2,350 SF**
Vacancy at Lease: **0.0%**
Land Acres: **0.06**

1301 West Moyamensing Avenue

Philadelphia, PA

3 766-768 S 9th St

Philadelphia, PA 19147 - South Philadelphia Submarket



TENANT

Tenant Name: **City Kids Academy**
Industry: **Educational Services**

LEASE

SF Leased: **2,600 SF**
Sign Date: **Nov 2021**
Space Use: **Retail**
Lease Type: **Direct**
Floor: **2nd Floor**

RENTS

Starting Rent: **\$25.85/NNN**

PROPERTY EXPENSES

Taxes: **\$2.84/SF (2022)**

LEASE TERM

Start Date: **Nov 2021**
Expiration Date: **Nov 2026**
Lease Term: **5 Years**

TIME VACANT

Date Occupied: **Nov 2021**

MARKET AT LEASE

Vacancy Rates	2021 Q4	YOY
Current Building	0.0%	↔ 0.0%
Submarket 1-3 Star	1.4%	▲ 0.2%
Market Overall	4.9%	▼ -0.6%

Same Store Asking Rent/SF	2021 Q4	YOY
Current Building	\$28.55	▼ -0.6%
Submarket 1-3 Star	\$22.41	▲ 0.4%
Market Overall	\$20.90	▲ 0.9%

Submarket Leasing Activity	2021 Q4	YOY
12 Mo. Leased SF	83,358	▼ -19.2%
Months On Market	3.0	▼ -5.5

LEASING REP

MPN Realty
1601 Walnut St, Suite 900
Philadelphia, PA 19102-2944
Veronica Blum (267) 238-1728

TENANT REP

MPN Realty
1601 Walnut St, Suite 900
Philadelphia, PA 19102-2944
Veronica Blum (267) 238-1728

PROPERTY

Property Type:	Retail	Rentable Area:	9,567 SF
Status:	Built 1920	Stories:	3
Tenancy:	Multi	Floor Size:	3,189 SF
Class:	C	Vacancy at Lease:	0.0%
Construction:	Masonry	Land Acres:	0.09
Parking:	Ratio of 0.00/1,000 SF		

1301 West Moyamensing Avenue

Philadelphia, PA



145 S 13th St - Empire

Philadelphia, PA 19107 - Midtown Village Submarket



TENANT

Tenant Name: **Kilwin's Chocolates**
Industry: **Retailer**

LEASE

SF Leased: **1,500 SF**
Sign Date: **Oct 2021**
Space Use: **Retail**
Lease Type: **Direct**
Floor: **1st Floor**

RENTS

Starting Rent: **\$42.00/NNN**

PROPERTY EXPENSES

Taxes: **\$2,426.32/Unit (2022)**

LEASE TERM

Start Date: **Oct 2021**

TIME VACANT

Date Occupied: **Oct 2021**

TENANT REP

MPN Realty
1601 Walnut St, Suite 900
Philadelphia, PA 19102-2944
Alex Snyder (267) 238-1725

MARKET AT LEASE

Vacancy Rates	2021 Q4	YOY
Current Building	3.2%	▲ 1.8%
Submarket 1-3 Star	5.1%	▼ -7.2%
Market Overall	3.8%	▼ -2.0%

Same Store Asking Rent/SF	2021 Q4	YOY
Current Building	\$1,300	▼ -2.4%
Submarket 1-3 Star	\$2,201	▲ 10.1%
Market Overall	\$1,565	▲ 9.6%

Submarket Leasing Activity	2021 Q4	YOY
12 Mo. Leased SF	-	-
Months On Market	-	-

PROPERTY

Property Type: **Multi-Family**
Status: **Built 1974**
Tenancy: **-**
Class: **C**
Construction: **Masonry**

Rentable Area: **27,680 SF**
Stories: **7**
Floor Size: **3,954 SF**
Vacancy at Lease: **3.2%**
Land Acres: **0.09**

1301 West Moyamensing Avenue

Philadelphia, PA

5 136 Chestnut St

Philadelphia, PA 19106 - Independence Hall Submarket



TENANT

Tenant Name: **Corner Store**
Industry: **Retailer**

LEASE

SF Leased: **1,524 SF**
Sign Date: **Oct 2021**
Space Use: **Retail**
Lease Type: **Direct**
Floor: **1st Floor**

RENTS

Asking Rent: **\$19.29/MG**
Starting Rent: **\$19.29/MG**

CONCESSIONS AND BUILDOUT

Asking Discount: **0.00%**
Buildout: **Standard Retail**
Buildout Status: **Partial Build-Out**

LEASE TERM

Start Date: **Nov 2021**
Expiration Date: **Nov 2031**
Lease Term: **10 Years**

PROPERTY EXPENSES

Taxes: **\$2.47/SF (2022)**

TIME ON MARKET

Date On Market: **Feb 2021**
Date Off Market: **Oct 2021**
Months on Market: **8 Months**

TIME VACANT

Date Vacated: **Feb 2021**
Date Occupied: **Nov 2021**
Months Vacant: **9 Months**

MARKET AT LEASE

Vacancy Rates	2021 Q4	YOY
Current Building	0.0%	▼ -49.3%
Submarket 1-3 Star	4.0%	▼ -0.6%
Market Overall	4.9%	▼ -0.6%

Same Store Asking Rent/SF	2021 Q4	YOY
Current Building	\$33.80	▲ 2.8%
Submarket 1-3 Star	\$29.95	▲ 1.0%
Market Overall	\$20.90	▲ 0.9%

Submarket Leasing Activity	2021 Q4	YOY
12 Mo. Leased SF	40,371	▲ 62.6%
Months On Market	15.3	▲ 5.5

LEASING REP

MPN Realty
1601 Walnut St, Suite 900
Philadelphia, PA 19102-2944
Nadia Bilynsky (267) 546-1718

PROPERTY

Property Type: **Retail**
Status: **Built 1900**
Tenancy: **Multi**
Class: **C**
Construction: **Masonry**
Rentable Area: **3,091 SF**
Stories: **4**
Floor Size: **878 SF**
Vacancy at Lease: **0.0%**
Land Acres: **0.03**

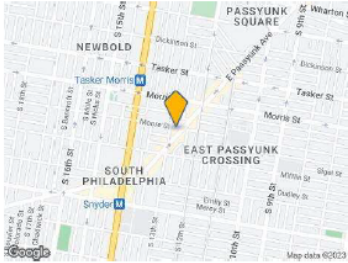
1301 West Moyamensing Avenue

Philadelphia, PA



1804-1808 E Passyunk Ave

Philadelphia, PA 19148 - South Philadelphia Submarket



TENANT

Tenant Name:	Doggie Style Pets
Industry:	Retailer
NAICS:	Pet and Pet Supplies Retailers - 459910

LEASE

SF Leased:	2,800 SF
Sign Date:	Feb 2021
Space Use:	Retail
Lease Type:	Direct
Floor:	1st Floor

RENTS

Asking Rent:	\$26.00/NNN
Starting Rent:	\$23.22/NNN
Effective Rent:	\$23.22/NNN

CONCESSIONS AND BUILDOUT

Asking Discount:	10.69%
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LEASE TERM

Start Date:	May 2021
Expiration Date:	Apr 2031
Lease Term:	10 Years

PROPERTY EXPENSES

Taxes:	\$1.43/SF (2022)
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TIME ON MARKET

Date On Market:	Jan 2020
Date Off Market:	May 2021
Months on Market:	13 Months

TIME VACANT

Date Occupied:	May 2021
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MARKET AT LEASE

Vacancy Rates	2021 Q1	YOY
Current Building	0.0%	↔ 0.0%
Submarket 1-3 Star	1.5%	▲ 0.4%
Market Overall	5.3%	▲ 0.6%

Same Store Asking Rent/SF	2021 Q1	YOY
Current Building	\$26.00	▲ 15.7%
Submarket 1-3 Star	\$22.44	▲ 2.3%
Market Overall	\$20.84	▲ 1.8%

Submarket Leasing Activity	2021 Q1	YOY
12 Mo. Leased SF	42,541	▼ -66.2%
Months On Market	5.7	▼ -1.1

LEASING REP

Wolf Commercial Real Estate L.L.C.

1 Holtec Dr, Suite G100

Marlton, NJ 08053-3421

Phil Costa (856) 857-6300

PROPERTY

Property Type:	Retail	Rentable Area:	5,003 SF
Status:	Built 1930	Stories:	2
Tenancy:	Multi	Floor Size:	2,502 SF
Class:	C	Ceiling Height:	11'
Construction:	Masonry	Vacancy at Lease:	0.0%
Parking:	Ratio of 0.00/1,000 SF	Land Acres:	0.06

1301 West Moyamensing Avenue

Philadelphia, PA

415-419 S 2nd St - Head House
Philadelphia, PA 19147 - Independence Hall Submarket



LEASE

SF Leased:	2,200 SF
Sign Date:	Sep 2020
Space Use:	Retail
Lease Type:	Direct
Floor:	1st Floor

LEASE TERM

Start Date:	Oct 2020
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RENTS

Asking Rent:	\$30.00/NNN
Starting Rent:	\$25.00/NNN

CONCESSIONS AND BUILDOUT

Asking Discount:	16.67%
Buildout Status:	Partial Build-Out

PROPERTY EXPENSES

Taxes:	\$2.25/SF (2022)
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TIME ON MARKET

Date On Market:	Jan 2020
Date Off Market:	Sep 2020
Months on Market:	8 Months

TIME VACANT

Date Occupied:	Oct 2020
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LEASING REP

M.S. Fox Real Estate Group, Inc
1628 John F Kennedy Blvd, Suite 1410
Philadelphia, PA 19103-2125
Anthony M. Falcone (215) 568-8000 X3

MARKET AT LEASE

Vacancy Rates	2020 Q3	YOY
Current Building	7.4%	▲ 2.7%
Submarket 1-3 Star	6.5%	▼ -1.6%
Market Overall	8.7%	▲ 0.4%

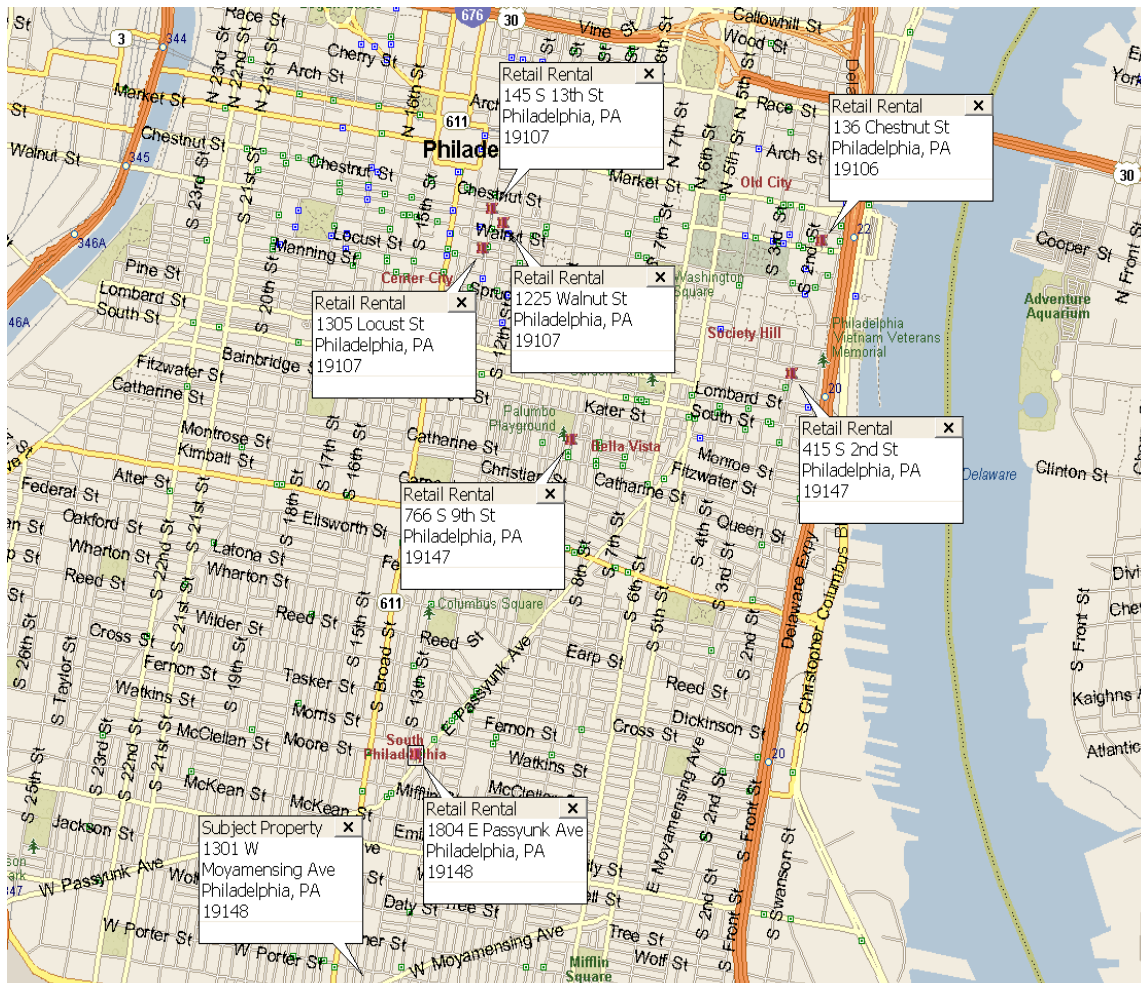
Same Store Asking Rent/SF	2020 Q3	YOY
Current Building	\$24.14	▲ 3.0%
Submarket 1-3 Star	\$27.98	▼ -0.9%
Market Overall	\$26.61	▲ 1.8%

Submarket Leasing Activity	2020 Q3	YOY
12 Mo. Leased SF	211,582	▼ -22.2%
Months On Market	17.5	▼ -6.1

PROPERTY

Property Type:	Office	Rentable Area:	30,000 SF
Status:	Built 1900	Stories:	4
Tenancy:	Multi	Floor Size:	18,500 SF
Class:	C	Vacancy at Lease:	7.4%
Construction:	Masonry	Land Acres:	0.42
Parking:	Ratio of 0.00/1,000 SF		

COMPARABLE RETAIL/COMMERCIAL RENTALS LOCATION MAP



Market Rent Analysis – Retail/Commercial

A rental survey was conducted in the subject's competitive market area in order to determine market rent for the subject property retail/commercial space. As a unit of comparison, rents were analyzed on a per square foot basis. However, it is noted that the market for small properties in this area, such as the subject, also recognizes the practice of negotiation of rents on the basis of a monthly rent, rather than an annual rent per square foot. In the case of a monthly rent, the rent may vary widely when an analysis is attempted on a per square foot basis.

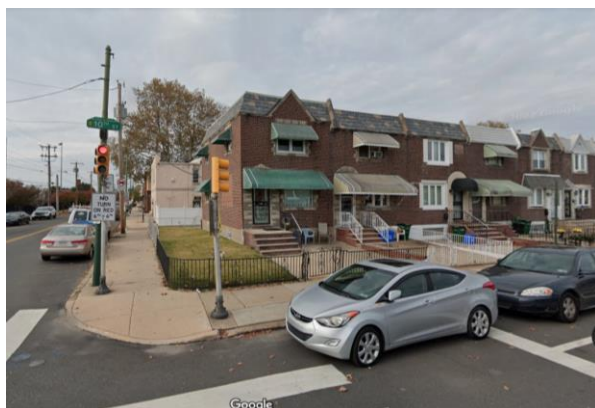
The subject has one ground floor plus finished basement retail unit containing 2,200 square feet. The unit is presently owner occupied as a restaurant under a non-arms-length lease. The comparable rents range from \$19.29 to \$42.00 per square foot. Adjustments for such factors as negotiability, age/condition, size, location, and expenses, were considered. The average adjusted rent is \$28.86/Sq.ft. and the median adjusted rent is \$25.85/Sq.ft. These are all retail/commercial properties located in the subject's competitive market area. Considering the subject space and location, we have stabilized the potential market rent for the retail/commercial space at **\$27.00/Sq.ft.**

1301 West Moyamensing Avenue

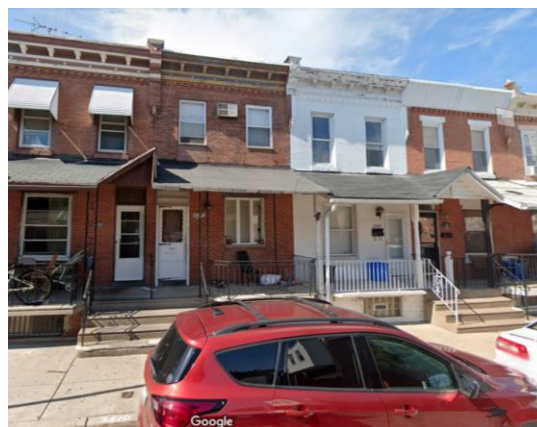
Philadelphia, PA

SUMMARY OF COMPARABLE TWO-BEDROOM APARTMENT RENTS

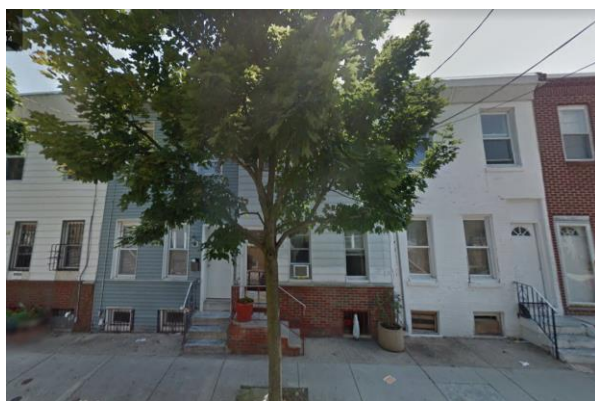
	Location / Source	Lease Date	Unit Room Count			Size Sq.ft.	Rent / Month	Rent / Room	Rent / Sq.ft.	Comments
			Total	Bdrms	Baths					
1	2844 South 10th Street Philadelphia, PA	Offering	4.00	2.00	1.00	1,103	\$1,800	\$450	\$19.58	Apartment
2	2508 South Mildred Street Philadelphia, PA	Offering	4.00	2.00	1.00	1,080	\$1,300	\$325	\$14.44	Apartment
3	636 Sigel Street Philadelphia, PA	Offering	4.00	2.00	1.00	950	\$1,450	\$363	\$18.32	Apartment
4	917 Tree Street Philadelphia, PA	Offering	4.00	2.00	1.00	1,000	\$1,800	\$450	\$21.60	Apartment



2844 South 10th Street, Philadelphia



2508 South Mildred Street, Philadelphia



636 Sigel Street, Philadelphia



917 Tree Street, Philadelphia

1301 West Moyamensing Avenue

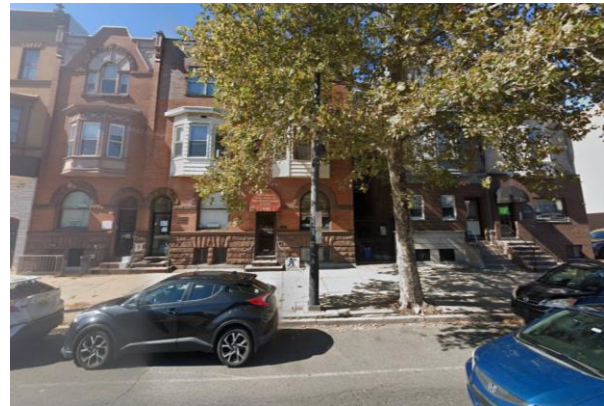
Philadelphia, PA

SUMMARY OF COMPARABLE EFFICIENCY APARTMENT RENTS

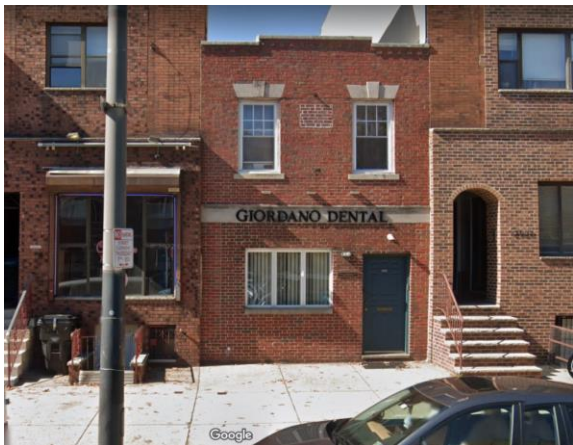
Location / Source	Lease Date	Unit Room Count			Size Sq.ft.	Rent / Month	Rent / Room	Rent / Sq.ft.	Comments
		Total	Bdrms	Baths					
1 2506 South Broad Street Philadelphia, PA	Offering	1.50	1.00	1.00	500	\$1,095	\$730	\$26.28	Apartment
2 2309 South 15th Street Philadelphia, PA	Offering	1.50	1.00	1.00	600	\$1,000	\$667	\$20.00	Apartment
3 2532 South Broad Street Philadelphia, PA	Offering	1.50	1.00	1.00	550	\$1,050	\$700	\$22.91	Apartment
4 2546 South Broad Street Philadelphia, PA	Offering	1.50	1.00	1.00	600	\$1,000	\$667	\$20.00	Apartment



2506 South Broad Street, Philadelphia



2309 South Broad Street, Philadelphia



2532 South Broad Street, Philadelphia



2546 South Broad Street, Philadelphia

The map displays the following property locations in Philadelphia:

- Residential Rental**
2309 S 15th St
Philadelphia, PA 19145
- Residential Rental**
917 Tree St
Philadelphia, PA 19148
- Residential Rental**
636 Sigel St
Philadelphia, PA 19148
- Residential Rental**
2508 S Mildred St
Philadelphia, PA 19148
- Residential Rental**
2546 S Broad St
Philadelphia, PA 19145
- Subject Property**
1301 W Moyamensing Ave
Philadelphia, PA 19148

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Stabilized Rent Roll

Apartment Units	Sq.Ft.	Rooms	\$/Sq.Ft.	\$/Room	\$/Month	Annual Rent	% Of PGI
2-BR Apt - 2nd Floor	902	4	\$ 21.95	\$412.50	\$ 1,650.00	\$ 19,800	22.15%
Efficiency Apt - 2nd Floor	233	2	\$ 43.78	\$425.00	\$ 850.00	\$ 10,200	11.41%
Retail/Commercial Units	Sq.Ft.		\$/Sq.Ft.		\$/Month	Annual Rent	% Of PGI
Restaurant (1st Floor & Fin Bsmnt)	2,200	N/A	\$ 27.00	N/A	\$ 4,950.00	\$ 59,400	66.44%
Other Revenue					\$ -	\$ -	0.00%
Potential Gross Income (PGI)						\$ 89,400	100.00%

Vacancy and Collection Loss

Based on the stabilized rent roll above, the potential gross income for the property is \$89,400. Considering our observations of current market conditions, an overall vacancy and collection loss appropriate for the subject should be 2.0% for the apartments, and 5.0% for the retail/commercial space, or a blended rate which we have rounded to 4.0%.

Total Income	\$89,400
Vacancy (4.0%)	<u>(\$ 3,576)</u>
Effective Gross Income	\$85,824

Explanation of Expenses

Income and expense statements were requested and partially supplied. Our forecast stabilized expense estimate is based on actual historical expenses as disclosed by the owner, as well as typical expenses encountered with this type of property. The tenants are individually metered for electric.

Management

We have set aside 5% of effective gross income to cover property management fees, which are generally in the range of 4% to 6%.

Water Service

Water expense is estimated at \$50.00 per month.

Gas Fired Heat

Heat expense is a tenant responsibility through direct metering.

Common Exterior Area Electric

This expense is stabilized at \$25.00 per month, or \$300 which reflects a modest amount for the common areas of the building. Primary electric is a direct metering tenant responsibility, which covers light, appliances, kitchen equipment, central air for the restaurant, and apartment window units.

Property Insurance

This covers the cost of liability, fire and extended coverage insurance. Based on \$210.00/month, a stabilized expense \$2,520 is considered to be appropriate based on the owner's reported expense.

Repairs and Maintenance

A stabilized expense of \$1,668 which reflects a cost of \$0.50 per square foot, is forecast based on our experience with similar properties.

Legal & Professional Fees

Prudent management practice dictates that a provision for this expense should be made. Professional fees include the occasional use of legal, accounting, and other professional services. We have stabilized this expense at \$2,500/annually.

Replacement Reserves

Unlike repairs and maintenance, this expense is an annual contribution to a fund to replace capital components of the building when needed, such as mechanical equipment, roof, etc. This expense is stabilized at 2.0% of effective gross income.

Real Estate Taxes

Based on the assessed value and real estate tax section of this report, we have selected a stabilized annual tax amount of \$4,093, in line with the assessment and tax rate for the property.

Capitalization Rate Development

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$$

For example, if a property sells for \$500,000, and has a stabilized NOI of \$50,000, the indicated capitalization rate is 10%.

Market Data

Three of the comparable sales had sufficient data from which capitalization rates could be extracted. The property at 1600 E. Passyunk Avenue sold at a 5.06% capitalization rate, 908 Christian Street sold at a 6.63% capitalization rate, and 627 South Street sold at a 7.80% capitalization rate.

Capitalization Rate Conclusion

Based on the capitalization rate range indicated by the comparable sales data, we have concluded an appropriate capitalization rate for the subject of of: **6.50%**

Direct Capitalization Analysis/Market Value Conclusion

Based on the analysis detailed previously, we have reconciled to an income capitalization approach value as shown below:

Income Valuation Worksheet And Market Value Opinion							
Gross Building Area:		3,335		Sq.ft.		Units: 3	
Income Breakdown							
Apartment Units	Sq.Ft.	Rooms	\$/Sq.Ft.	\$/Room	\$/Month	Annual Rent	% Of PGI
2-BR Apt - 2nd Floor	902	4	\$ 21.95	\$412.50	\$ 1,650.00	\$ 19,800	22.15%
Efficiency Apt - 2nd Floor	233	2	\$ 43.78	\$425.00	\$ 850.00	\$ 10,200	11.41%
Retail/Commercial Units	Sq.Ft.		\$/Sq.Ft.		\$/Month	Annual Rent	% Of PGI
Restaurant (1st Floor & Fin Bsmnt)	2,200	N/A	\$ 27.00	N/A	\$ 4,950.00	\$ 59,400	66.44%
Other Revenue					\$ -	\$ -	0.00%
Potential Gross Income (PGI)						\$ 89,400	100.00%
Vacancy and Credit Loss					4.0%	\$ 3,576	
Effective Gross Income (EGI)						\$ 85,824	
Expense Breakdown				Amount	Frequency	Annual Expense	Per/Sq.ft.
Off-Site Management @				5.0%	EGI	\$ 4,291	\$ 1.29
Water				\$50.00	/ Month	\$ 600	\$ 0.18
Heat				\$0.00	/ Month	\$ -	
Common area electric				\$25.00	/ Month	\$ 300	\$ 0.09
Property Insurance				\$210.00	/ Month.	\$ 2,520	\$ 0.76
Maintenance/Repairs				\$0.50	/ Sq.ft.	\$ 1,668	\$ 0.50
Legal & Professional Fees						\$ 2,500	\$ 0.75
Trash Collection						\$ -	\$ -
Replacement Reserves @				2.0%	EGI	\$ 1,716	\$ 0.51
Real Estate Taxes						\$ 4,093	\$ 1.23
Total Expenses						\$ 17,688	\$ 5.30
Expense Ratio (Expenses/EGI)						20.61%	
Net Operating Income (NOI)						\$ 68,136	\$ 20.43
Capitalization Rate						6.50%	
Value						\$1,048,243	\$ 314.32
Rounded						\$1,050,000	\$ 314.84

AS-IS MARKET VALUE OPINION
VIA INCOME CAPITALIZATION APPROACH
ONE MILLION FIFTY THOUSAND DOLLARS
(\$1,050,000)

Reconciliation Of As-Is Market Value Opinion

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

As-Is Market Value Conclusions

Cost Approach:	Not Utilized
Sales Comparison Approach:	\$1,050,000
Income Capitalization Approach:	\$1,050,000

Cost Approach

The cost approach was considered and was not developed because this approach is not the best indicator for older existing buildings.

Sale Comparison Approach

The sales comparison approach was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type. Comparable mixed use retail/residential properties were utilized to achieve a value conclusion. Adjustments were considered with regard to various physical, locational and economic factors. This approach has been given strong emphasis and consideration in reaching our value opinion conclusion.

Income Capitalization Approach

The income approach was considered and was developed because the subject is an income producing property and there is adequate data to develop a value estimate with this approach. Appropriate market data was available, and the potential income and expenses were based on market and contract rents, and actual as well as estimated expenses. Therefore, equal emphasis and consideration in reaching our value conclusion has been given to this approach.

As-Is Market Value Conclusion Opinion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion, subject to the Limiting Conditions and Assumptions of this appraisal, as of December 29, 2022:

Reconciled Value(s): Premise: As-Is
Interest: Leased Fee
Market Value Opinion Conclusion: \$1,050,000
(One Million Fifty Thousand Dollars)

Addenda

Definitions

Market Value:²

Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming that the price is not affected by undue stimulus. (Source: Office of the Comptroller of the Currency (OCC) 12 CFR 34, Subpart C) Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Buyer and seller are well informed or well advised, and are acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

A **Fee Simple** estate is defined² as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

A **Leased Fee** interest is defined² as:

A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease).

Marketing Time is defined² as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value

² Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Opinions" address the determination of reasonable exposure and marketing time.

Exposure Time is defined² as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

See Marketing Time, above.

Gross Building Area (GBA): Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.²

Rentable Area (RA): For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.²

Gross Leasable Area (GLA): Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.²

As Is Market Value

The estimate of the market value of the real property in its current physical condition, use and zoning as of the appraisal date.²

Stabilized Value

Stabilized value is the prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved.³

As Complete Value

The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value.

³ Narrative1.com. Thomas W. Armstrong, MAI

1301 West Moyamensing Avenue

Philadelphia, PA

Qualifications of the Appraiser

John R. Ingram II, MAI, MRICS, AICP, CTA
President & CEO

Ingram Real Estate Group

928 North Cedar Crest Blvd.
Allentown, PA 18104
(610) 798-9877(Tel.); (610) 798-9878(Fax.); IngramREG@aol.com

PROFESSIONAL EXPERIENCE

- **Ingram Real Estate Group** (East Brunswick, NJ, 1993–2002; Allentown, PA, 2002– Pres.)
President & CEO
Responsibilities: Preparation and review/supervision regarding valuation reports, market analyses, feasibility analyses, and planning/development consulting reports on a wide range of commercial real estate in New York, New Jersey, Pennsylvania, other parts of the United States and other countries, in addition to extensive court testimony/litigation experience and municipal revaluation work. The properties have included office buildings, office parks, industrial buildings, industrial parks, shopping centers, movieplexes, apartment buildings, apartment complexes, condominium and townhouse projects, senior care facilities, health and hospital facilities, educational facilities, correctional facilities, hotels, restaurants, marinas, resorts, mixed-use properties, self-storage facilities, subdivisions, golf courses, extraction properties (e.g., quarries and timberlands), horse farms, and all types of vacant land tracts, from small to very large. Clients have included commercial banks, the FDIC, the RTC, savings banks, the IRS, insurance companies, asset management companies, investment banking firms, pension funds, REITS, private equity and hedge funds, developers, individual investors/owners, federal and state agencies, local governments, housing authorities, non-profit corporations, and numerous law firms. Property valuations have ranged from the six-figure dollar range to \$3 billion.
- **The Mazursky Group, Inc. (New York) (1990 - 1993)**
Senior Vice President
Responsibilities: Preparation, review and supervision regarding all commercial real estate valuation reports on properties primarily located in New York City, plus other properties in New Jersey, downstate New York and Long Island. Wide range of property types and clients. Related expert court testimony work.
- **New York Life Insurance Co. (New York) (1988 - 1989)**
Regional Real Estate Appraiser, Northeast
Responsibilities: Reviewed all outside fee appraisals and prepared all in-house valuations regarding required valuation work on \$4 Billion northeast mortgage portfolio (covering Boston to Washington corridor, including major hotels and office buildings); also responsible for other due diligence activity regarding portfolio.
- **Wm. White/Tishman East (New York, 1986-1988)(now part of Newmark Knight Frank)**
Senior Staff Appraiser/Consultant
Responsibilities: Preparation of valuation and consulting reports on commercial properties of all types in the greater New York/New Jersey metropolitan area. Wide range of clients.
- **1975-1986: Management and Planning positions in New York, New Jersey, Virginia and North Carolina, including a Project Director position (supervising 20 planners, architects and engineers on a 9,100 acre top secret industrial facility project in Texas).**

John R. Ingram II, MAI, MRICS, AICP, CTA

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FORMAL EDUCATION

- New York University Graduate School of Business, New York, New York
Attended MBA program, with concentration in Finance & International Business
- Rutgers University, New Brunswick, New Jersey
Master of City and Regional Planning
- Pennsylvania State University, University Park, Pennsylvania
Bachelor of Arts Degree in Geography
Bachelor of Arts Degree in Political Science

REAL ESTATE COURSES

Appraisal Institute

All course work required for MAI designation, plus long list of other course work and seminars.

New York University Real Estate Institute

Variety of courses completed (all aspects of commercial real estate).

PROFESSIONAL MEMBERSHIPS/CERTIFICATIONS/LICENSES

Member, Appraisal Institute (MAI)---2008/2009 President, Northeastern PA Chapter
Member, Royal Institution of Chartered Surveyors (MRICS)
American Institute of Certified Planners (AICP)
Certified Tax Assessor (CTA) in New Jersey
State Certified General Real Estate Appraiser (SCGREA) in NY, NJ and PA
Member, City of Allentown (PA) Planning Commission (2009-2012)

John R. Ingram II, MAI, MRICS, AICP, CTA (More Background---entire career)

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EMPLOYER AFFILIATIONS

Mr. Ingram has been President, CEO and owner of Ingram Real Estate Group since 1993.

Mr. Ingram has had notable previous experiences as: Senior Vice President, The Mazursky Group (New York, NY); Regional Real Estate Appraiser, Northeast, New York Life Ins. Co. (New York, NY); Senior Staff Appraiser/Consultant, Wm. A. White/Tishman East (now part of Newmark Knight Frank) (New York, NY); Project Director, Gibbs & Hill (now part of Raytheon) (New York, NY); Multi-Family Housing Representative, U.S. Dept. of HUD (New York, NY); Base Planner, U.S. Dept. of the Air Force (Langley AFB, VA); and Management Services Director and Local Planning Chief, Cape Fear Council of Governments (Wilmington, NC).

EDUCATION

Mr. Ingram holds a Master of City and Regional Planning (MCRP) degree from Rutgers University (1975), a BA degree in Geography and a BA degree in Political Science from Penn State University (1971). He also attended the MBA program at the New York University Graduate School of Business, with a concentration in Finance and International Business, in 1979-1980, and the NYU Real Estate Institute, in 1985-1986. Other schools attended have included the Institute of Government at the University of North Carolina and the Graduate School of Management at George Washington University.

MILITARY

Mr. Ingram is a (Vietnam-era) US Army veteran, having served between 1971 and 1973, with distinction, and having been honorably discharged.

John R. Ingram, II, MAI

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[Land, Transitional](#) • [Land, Urban](#) • [Mountain](#) • [Open Space / Public Park](#) • [Subdivision \(Commercial, Industrial, etc\)](#) • [Subdivision \(Residential\)](#) • [Timberland](#)

Commercial

[Assisted Living / Skilled Care Facility / Nursing Home \[View Experience Details\]](#) • [Automobile Dealership](#) • [Banquet / Reception Hall](#) • [Bed and Breakfast / Inn](#) • [Branch Bank / Financial Building](#) • [Convenience Store / Service station](#) • [Day Care](#) • [Funeral Home / Mortuary Mausoleum / Cemetery / Crematory](#) • [Hospital / Surgical Hospital / Rehabilitation Center](#) • [Hotel / Resort](#) • [Medical Facility / Clinic](#) • [Motel](#) • [Movie Theatre](#) • [Office Building \(High Rise, over three stories\)](#) • [Office Building \(Low Rise, three stories or less\)](#) • [Parking Facility \(Lot or Garage\)](#) • [Restaurant / Bar / Night Club / Micro Brewery](#) • [Retail \(Single Tenant or Free Standing\)](#) • [Self Storage](#) • [Shopping Center \(Local, Strip, Neighborhood, Community, Etc.\)](#) • [Shopping Center \(Power Center, Outlet Center, Lifestyle, Etc.\)](#) • [Shopping Center \(Super Regional, Regional Mall\)](#)

Industrial

[Industrial \(Heavy \(Manufacturing\) \[View Experience Details\]](#) • [Industrial \(Small Office Warehouse / Mfg.\)](#) • [Industrial Light \(Distribution, Storage\)](#) • [Research and Development Lab / Hi-Tech / Bioengineering](#) • [Truck Terminal / Hub / Transit Facility](#)

Public

[Airport / Air Cargo \[View Experience Details\]](#) • [Community Center / Recreation Center](#) • [Correctional Facility](#) • [Courthouse](#) • [Dormitory](#) • [Educational Institution \(Public\)](#) • [Library](#) • [Military Base](#) • [Museum](#) • [Post Office](#) • [Public Service / Municipal Service Building](#) • [Recreation and Park](#) • [Religious Facility](#) • [Train Station / Bus Terminal](#) • [University / College](#) • [Zoo / Nature Facility](#)

Recreational

[Amusement / Water / Theme Park \[View Experience Details\]](#) • [Aquatic Facility \(Community / Neighborhood / Etc\)](#) • [Campground](#) • [Dance Hall / Ballroom](#) • [Golf \(Miniature\)](#) • [Golf Course](#) • [Health and Fitness Club](#) • [Marina / Yacht Club](#) • [Private Club](#) • [Racket / Tennis Club](#) • [Recreational Vehicle Park / Campground](#) • [Skating Rink](#)

Agricultural

[Crop \[View Experience Details\]](#) • [Forest / Timber](#) • [Grove / Orchard](#) • [Pasture / Range](#) • [Ranch](#) • [Vineyard](#)

Special Purpose

[Bowling Alley \[View Experience Details\]](#) • [Car Wash](#) • [Conservation Easement](#) • [Data Center](#) • [Greenhouse / Nursery](#) • [Historical Property](#) • [Landfill](#) • [Lumber Mill](#) • [Lumber Yard](#) • [Mixed Use](#) • [Natural Resources](#) • [Outdoor Sign](#) • [Private Educational Institution](#) • [Quarry / Mine](#) • [Right-of Way / Corridor Valuation \(Pipeline / Rail Road / Fiber Optic, Etc.\)](#) • [Shipyard](#) • [Tower \(Antenna, etc\)](#) • [Winery](#)

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[Air Rights](#) [\[View Experience Details\]](#) • [Fee Simple Interest](#) • [Ground Lease](#) • [Leased Fee Interest](#) • [Leasehold Interest](#) • [Life Estate](#) • [Partial Interest](#)

[Amusement parks](#) [\[View Experience Details\]](#) • [Bowling alleys](#) • [Car wash properties](#) • [Cemeteries](#) • [Clubhouses](#) •

Cold storage facilities where more than 50% of total square footage is equipped for refrigeration ▶ Dormitories ▶ Funeral homes with crematoriums ▶ Gas stations ▶ Golf courses ▶ Hospitals, surgery centers, urgent care centers and other health or medical facilities ▶ Hotels, motels, and other lodging facilities ▶ Marinas ▶ Mines ▶ Museums ▶ Nursing homes, including assisted living facilities ▶ Oil wells ▶ Quarries, including gravel pits ▶ Sanitary landfills ▶ Service centers (e.g., oil and lube, brake or transmission centers) with pits and in ground lifts ▶ Sports arenas ▶ Swimming pools ▶ Tennis clubs ▶ Theaters ▶ Wineries ▶

American Institute of Certified Planners (AICP), Certified Tax Assessor (CTA)

BA, Geography, Penn State; BA, Political Science, Penn State; Master of City and Regional Planning (MCRP), Rutgers; attended MBA program in Finance and International Business, NYU.

German - Interpretational Ability

Some of my international work has included the following assignments/projects (within last 20 years):

- 1) Valuation/consulting work on various commercial and industrial properties in Canada,
- 2) Valuation/consulting work on resort and industrial properties in Mexico,
- 3) Valuation of prospective timber, mining and resort properties, along with existing commercial properties, in addition to being involved in commodities consulting/dealmaking, in Brazil,
- 4) Valuation of existing marble quarry/marble processing plant properties, other industrial properties, and prospective resort properties, in Italy,
- 5) Valuation of commercial and industrial properties in Germany and Austria.

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Philadelphia, PA

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Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649

21 0088029

License Type
Certified General Appraiser

License Status
Active

Initial License Date
11/22/1991

JOHN RICHARD INGRAM II
928 N. CEDAR CREST BLVD.
ALLENTOWN, PA 18104

License Number
GA000474L

Expiration Date
06/30/2023


Commissioner of Professional and Occupational Affairs


Signature

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State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs

THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

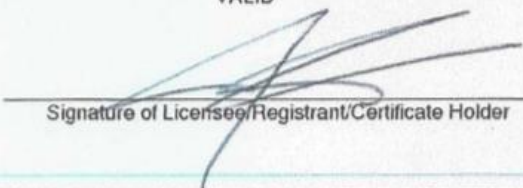
HAS CERTIFIED


JOHN R. INGRAM, II
928 N. Cedar Crest Blvd.
Allentown PA 18104

FOR PRACTICE IN NEW JERSEY AS A(N): **Certified General Appraiser**

11/14/2021 TO 12/31/2023
VALID

42RG00012600
LICENSE/REGISTRATION/CERTIFICATION #


Signature of Licensee/Registrant/Certificate Holder


ACTING DIRECTOR

1301 West Moyamensing Avenue

Philadelphia, PA

UNIQUE ID NUMBER 46000007886	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1546633
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO DAY YR 01 07 22
INGRAM JOHN R II C/O INGRAM REAL ESTATE GROUP 928 N CEDAR CREST BLVD ALLENTOWN, PA 18104		EXPIRATION DATE MO DAY YR 01 06 24
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

1301 West Moyamensing Avenue

Philadelphia, PA

	LICENSE * REGISTRATION * CERTIFICATION * PERMIT	Lawrence J. Hogan, Jr. Governor
	STATE OF MARYLAND	Boyd K. Rutherford Lt. Governor
	MARYLAND DEPARTMENT OF LABOR	Tiffany P. Robinson Secretary
	COMMISSION OF RE APPRAISERS & HOME INSPECTORS	
	<u>CERTIFIES THAT:</u>	
	JOHN RICHARD INGRAM II	
		
	IS AN AUTHORIZED: 04 - CERTIFIED GENERAL	
<u>LIC/REG/CERT</u> 34138	<u>EXPIRATION</u> 01-19-2024	<u>EFFECTIVE</u> 01-19-2021
		<u>CONTROL NO</u> 5636731
Signature of Bearer		 Secretary
WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES		

1301 West Moyamensing Avenue

Philadelphia, PA

